



ace group

# Declarations ACE Catastrophe Liability Plus<sup>SM</sup> Policy

|  |  |   |  |
|--|--|---|--|
| Policy Number: G24102452003  |  | Previous Policy Number: G24102452 002   |  |
| COVERAGE IS PROVIDED IN THE COMPANY DESIGNATED BELOW   |  |   |  |
| Westchester Surplus Lines Insurance Co   |  |   |  |
| NAMED INSURED AND ADDRESS<br>Cities of Anaheim and Santa Monica<br>(Authority of California Cities Excess Liability)<br>c/o Alliant Insurance Services<br>100 Pine Street, Suite 1100<br>San Francisco, CA 94111 |  | PRODUCER NAME AND ADDRESS<br>AMWINS INSURANCE BROKERAGE<br>OF CALIFORNIA LLC<br>19867 PRAIRIE STREET<br>SUITE 250<br>CHATSWORTH, CA 91311<br><br>PRODUCER CODE 46893W |  |
| Policy Period: From 07/01/2011   |  | To 07/01/2012   |  |
| 12:01 A.M Local Time at the Address of the Named Insured as stated herein  |  |   |  |
| <b>Limits of Insurance</b>   |  |   |  |
| \$ See XSC-27347 Each Occurrence   |  | \$ See XSC-27347 Aggregate  |  |
| <b>Premium</b>   |  |   |  |
| \$51,310.00 Advance Premium  |  | <input checked="" type="checkbox"/> Flat Except For Acquisitions  |  |
| -  |  | <input type="checkbox"/>  |  |
| -  |  |   |  |
| -  |  |   |  |
| -  |  |   |  |
| -  |  |   |  |
| \$51,310.00 Total Amount Due   |  | AMWINS INSURANCE BROKERAGE OF CALIF.<br>Lic. # 0C01319<br>Surplus Line Tax \$ 1,539.30<br>Pumping Fee \$ 128.28<br>Total \$ 1,667.58                                  |  |
| \$51,310.00 Annual Premium   |  |   |  |
| <b>Schedule of Underlying Insurance</b>  |  |   |  |
| First Policy of Underlying Insurance   |  |   |  |
| Company: See Schedule A  |  | Limits of Insurance   |  |
| Policy Period: See Schedule A  |  | \$ See Schedule A Each Occurrence   |  |
|  |  | \$ See Schedule A Aggregate, Where Applicable   |  |
|  |  | \$ See Schedule A   |  |

**Forms attached to and forming a part of this policy at inception:**

Policy Form: ACE Catastrophe Liability Plus Policy XSC-27266

Schedule of Underlying Insurance :  XSW002  XSW004

Endorsements as Listed on the Schedule of Endorsements CPfs2

**Authorization Information:**

A handwritten signature in black ink, appearing to be 'A. J. Smith', written over a horizontal line.

# **CALIFORNIA**

## **NOTICE TO INSURED:**

### **NOTICE:**

- 1. THE INSURANCE POLICY THAT YOU HAVE PURCHASED IS BEING ISSUED BY AN INSURER THAT IS NOT LICENSED BY THE STATE OF CALIFORNIA. THESE COMPANIES ARE CALLED "NONADMITTED" OR "SURPLUS LINE" INSURERS.**
- 2. THE INSURER IS NOT SUBJECT TO THE FINANCIAL SOLVENCY REGULATION AND ENFORCEMENT THAT APPLY TO CALIFORNIA LICENSED INSURERS.**
- 3. THE INSURER DOES NOT PARTICIPATE IN ANY OF THE INSURANCE GUARANTEE FUNDS CREATED BY CALIFORNIA LAW. THEREFORE, THESE FUNDS WILL NOT PAY YOUR CLAIMS OR PROTECT YOUR ASSETS IF THE INSURER BECOMES INSOLVENT AND IS UNABLE TO MAKE PAYMENTS AS PROMISED.**
- 4. CALIFORNIA MAINTAINS A LIST OF ELIGIBLE SURPLUS LINE INSURERS APPROVED BY THE INSURANCE COMMISSIONER. ASK YOUR AGENT OR BROKER IF THE INSURER IS ON THAT LIST, OR VIEW THAT LIST AT THE WEB SITE OF THE CALIFORNIA DEPARTMENT OF INSURANCE: [www.insurance.ca.gov](http://www.insurance.ca.gov).**
- 5. FOR ADDITIONAL INFORMATION ABOUT THE INSURER YOU SHOULD ASK QUESTIONS OF YOUR INSURANCE AGENT, BROKER, OR "SURPLUS LINE" BROKER OR CONTACT THE CALIFORNIA DEPARTMENT OF INSURANCE, AT THE FOLLOWING TOLL-FREE TELEPHONE NUMBER: 1-800-927-4357.**
- 6. IF YOU, AS THE APPLICANT, REQUIRED THAT THE INSURANCE POLICY YOU HAVE PURCHASED BE BOUND IMMEDIATELY, EITHER BECAUSE EXISTING COVERAGE WAS GOING TO LAPSE WITHIN TWO BUSINESS DAYS OR BECAUSE YOU WERE REQUIRED TO HAVE COVERAGE WITHIN TWO BUSINESS DAYS, AND YOU DID NOT RECEIVE THIS DISCLOSURE FORM AND A REQUEST FOR**

**YOUR SIGNATURE UNTIL AFTER COVERAGE BECAME EFFECTIVE, YOU HAVE THE RIGHT TO CANCEL THIS POLICY WITHIN FIVE DAYS OF RECEIVING THIS DISCLOSURE. IF YOU CANCEL COVERAGE, THE PREMIUM WILL BE PRORATED AND ANY BROKER'S FEE CHARGED FOR THIS INSURANCE WILL BE RETURNED TO YOU.**

# Forms Schedule

SYM: HXW Policy ID: G24102452003

**Company:** Westchester Surplus Lines Insurance Co

**Policy Period**  
When Coverage Begins: 07/01/2011 12:01 A.M. Standard Time At Named Insured's Address  
When Coverage Ends: 07/01/2012 12:01 A.M. Standard Time At Named Insured's Address

| Form Number       | Form Title   |
|-------------------|--|
| XSW001 (07/10)    | Declarations ACE Catastrophe Liability Plus Policy               |
| LD-5S23h (07/10)  | Signature Endorsement  |
| XSC-27266 (05/09) | Ace Catastrophe Liability Plus Policy                            |
| 078 (02/06)       | Service Of Suit Endorsement                                      |
| ALL-21101 (11/06) | Trade Or Economic Sanctions Endorsement                          |
| TRIA15c (01/08)   | Terrorism Disclosure Notice                                      |
| XSC-27267 (05/09) | Absolute Pollution Exclusion                                     |
| XSC-27321 (05/09) | Employee Practices Liability Exclusion Endorsement               |
| XSC-27347 (05/09) | Limits Of Insurance Amendatory Endorsement                       |
| XSC-27390 (05/09) | Silica And Silica Related Dust Exclusion Endorsement             |
| XSC-27399 (05/09) | Unimpaired Aggregate Provision                                   |
| XSC-27523 (05/09) | Exclusion Of Certified Acts Of Terrorism                         |
| XSC-30414 (08/10) | Designated Ongoing Operations Exclusion                          |
| XSC-30422 (08/10) | Nuclear Exclusion  |
| XSC-30426 (08/10) | Sub-Limited Coverage Exclusion                                   |
| XSC-32991 (02/11) | Insuring Agreement Coverage Section Amendment                    |
| XSC-32992 (03/11) | Other Insurance Amendment  |
| XSW002 (07/10)    | Schedule A - Schedule of Underlying Insurance (Excess Liability) |
| XSW012 (05/11)    | Defense Within Limit Endorsement                                 |
| MS 2525 (06/11)   | Designated Entity Limitation Endorsement                         |
| MS 2701 (07/11)   | Blood Borne Pathogen Exclusion Endorsement                       |



|  |                               |   |   |
|--|-------------------------------|---|---|
| Named Insured<br>Cities of Anaheim and Santa Monica                              |                               |   | Endorsement Number                          |
| Policy Symbol<br>HXW   | Policy Number<br>G24102452003 | Policy Period<br>07/01/2011 to 07/01/2012 | Effective Date of Endorsement<br>07/01/2011 |
| Insured By (Name of Insurance Company)<br>Westchester Surplus Lines Insurance Co |                               |   |   |

### SIGNATURE ENDORSEMENT

THE ONLY SIGNATURES APPLICABLE TO THIS POLICY ARE THOSE REPRESENTING THE COMPANY NAMED ON THE FIRST PAGE OF THE DECLARATIONS.

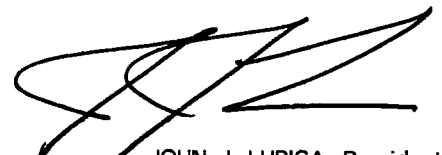
By signing and delivering the policy to you, we state that it is a valid contract when countersigned by our authorized representative.

**ILLINOIS UNION INSURANCE COMPANY (A stock company)**  
525 W. Monroe Street, Suite 700, Chicago, Illinois 60661

**WESTCHESTER SURPLUS LINES INSURANCE COMPANY (A stock company)**  
500 Colonial Center Parkway, Suite 200, Roswell, GA 30076



CARMINE A. GIGANTI, Secretary



JOHN J. LUPICA, President

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Authorized Representative



**ace group**

## **ACE Catastrophe Liability Plus<sup>SM</sup> Policy**

Various provisions in this policy restrict coverage. Please read the entire policy carefully to determine rights, duties and what is and is not covered.

Throughout this policy the words "you" and "your" refer to the Named Insured shown in the Declarations, and any other person or organization qualifying as an insured under the first policy of "underlying insurance" shown in the schedule of "underlying insurance." The words "we", "us" and "our" refer to the company providing this insurance.

Other words and phrases that appear in quotation marks have special meaning. Refer to Section III - Definitions.

We, the Company named in the Declarations, relying upon the statements shown on the Declarations page and in the schedule of "underlying insurance" attached to this policy, and in return for the payment of the premium and subject to the terms, conditions, exclusions, and limits of insurance of this policy, agree with you as follows:

### **SECTION I. INSURING AGREEMENTS**

#### **A. COVERAGE**

We will pay, on your behalf, "loss" arising out of an "occurrence" but only after all "underlying insurance" has been exhausted by the payment of the limits of such insurance for covered injury or damage that takes place during our policy period. If "underlying insurance" does not pay a "loss" for reasons other than the exhaustion of an aggregate limit of insurance, then we will not pay such "loss".

The definitions, terms, conditions, limitations and exclusions of the first policy of "underlying insurance" in effect at the inception date of this policy (as identified in the Declarations), apply to this coverage unless they are inconsistent with provisions of this policy or relate to premium, subrogation, any obligation to defend, the payment of expenses, amounts of limits of insurance, cancellation or any renewal agreement.

#### **B. LIMITS OF INSURANCE**

This policy applies only in excess of the "underlying insurance" as shown in the schedule of "underlying insurance." The "occurrence" limit shown on the Declarations is the most we will pay for all damages arising out of any one "occurrence" to which this insurance applies.

The aggregate limit shown on the Declarations applies separately and in the same manner as the aggregate limits provided by the "underlying insurance." If the "underlying insurance" limit has been reduced or exhausted solely by reason of "losses" paid thereunder arising out of injury or damage which takes place during our policy period, then this policy shall:

1. in the event of reduction, pay the excess of the reduced underlying limit;
2. in the event of exhaustion continue in force as "underlying insurance."

## C. DEFENSE PROVISIONS AND SUPPLEMENTAL PAYMENTS

### 1. DEFENSE PROVISIONS

When insurance is available to you in any "underlying insurance", we will not be called upon to assume charge of the investigation, settlement or defense of any suit brought against you, but we will have the right and be given the opportunity to be associated in the defense and trial of any suits relative to any "occurrence" which, in our opinion, may create liability on our part under the terms of this policy.

We will assume charge of the settlement or defense of any suit brought against you to which this policy applies and to which no "underlying insurance" applies because of the exhaustion of limits of insurance.

If we assume any right, opportunity or obligation, we will not be obligated to defend any suit after the applicable limits of this policy have been exhausted.

### 2. SUPPLEMENTAL PAYMENTS

The only Supplemental Payments and expenses that we will pay under this policy are as follows:

- a. All expenses incurred by us;
- b. All interest on that part of any judgment which accrues after entry of the judgment and before we have paid, offered to pay, or deposited in court that part of the judgment which does not exceed the limit of liability, and to which this policy applies;
- c. If "underlying insurance" pays pre-judgment interest, then we will pay related pre-judgment interest awarded against you on that part of the judgment we pay. If we make an offer to pay the applicable limit of insurance, we will not pay any pre-judgment interest after the time of our offer.

### 3. Subject to all of the foregoing:

- a. If Defense and/or Supplemental payment expenses are included within the limit of insurance of any "underlying insurance", then any such expense payment we make will reduce the limit of insurance of this policy.
- b. If none of the policies of "underlying insurance" include Defense and/or Supplemental payment expenses within the limit of insurance, then any such expense payment we make will not reduce the limit of insurance of this policy.

## SECTION II (EXCLUSIONS)

### WHAT IS NOT COVERED BY THIS POLICY

This insurance does not apply:

- A. To any injury, damage, expense, cost, "loss", liability, or legal obligation arising out of or in any way related to asbestos or asbestos-containing materials.
- B. 1. To any injury, damage, expense, cost, "loss", liability or legal obligation arising out of or in any way related to pollution, however caused. However, if coverage is available to you in the "underlying insurance" for bodily injury or property damage from pollution when the pollutant is heat, smoke or fumes from a hostile fire, then this paragraph B.1. shall not apply, provided that the heat, smoke or fumes from the hostile fire is:

- a. at or from any premises, site or location which is or was at any time owned or occupied by, or rented or loaned to you; or
- b. at or from any premises, site or location on which you or any contractors or subcontractors working directly or indirectly on your behalf are performing operations if the pollutants are brought on or to the premises, site or location in connection with such operations.

As used in this exclusion, a hostile fire means one which becomes uncontrollable or breaks out from where it was intended to be.

2. To any "loss", cost or expense arising out of any:

- a. directive, request, demand or order that you or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of pollutants; or
- b. claim or suit by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to or assessing the effects of pollutants.

Pollution includes the actual, alleged or potential presence in or introduction into the environment of any substance, if such substance has or is alleged to have the effect of making the environment impure, harmful, or dangerous. Environment includes any air, land, structure or the air therein, watercourse or water, including underground water.

Pollutants include any solid, liquid, gaseous, or thermal irritant or contaminant including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes material to be recycled, reconditioned or reclaimed.

- C. To any claim or claims arising out of the Employee Retirement Income Security Act (ERISA) of 1974, Public Law 93-406, commonly referred to as the Pension Reform Act of 1974, including any amendments or revisions thereto.
- D. To any liability for injury or damages due to war, whether or not declared, or any act or condition incident to war. War includes civil war, insurrection, rebellion or revolution.

We will have no duty or obligation to provide or pay for the investigation or defense of any suit excluded in this section, and in connection therewith Defense Provisions and Supplemental Payments will not apply.

### SECTION III DEFINITIONS

- A. "Loss" means the amount paid or payable in cash in the settlement or satisfaction of claims or suits for which the insured is liable, either by adjudication or compromise with our written consent, after making proper deduction for all recoveries and salvages. If the limits of the applicable "underlying insurance" are exhausted by the payment of defense expenses as well as damages, then "loss" also includes defense expenses under this insurance and defense expenses also erode the limits of this insurance.
- B. "Occurrence" in this policy will follow the definition of "occurrence" as defined in the first policy of "underlying insurance" in effect as of the inception date of this policy.
- C. "Other insurance" means a policy of insurance providing coverage for damages covered in whole or in part by this policy. "Other insurance" does not include "underlying insurance" or any policy of insurance specifically purchased to be excess of this policy and providing coverage that this policy also provides.

- D. "Underlying insurance" means the policy or policies of insurance as described in the Declarations and Schedule of Underlying Insurance forming a part of this policy.

## **SECTION IV CONDITIONS**

### **A. APPEALS**

If you or any of the underlying insurers elect not to appeal a judgment in excess of the limits of liability afforded by the "underlying insurance" or any "other insurance" available to you, we may elect to appeal. Our limit of liability will not be increased because of the appeal, except that we will pursue appeal at our cost and expense.

### **B. ASSIGNMENT**

Interest in this policy may not be transferred to another, except by an endorsement issued by us which gives our consent. If you are bankrupt or insolvent or if you die, this policy will cover your legal representative(s), but subject to all terms and limitations and only while such representatives are acting within the scope of their duties as such.

### **C. BANKRUPTCY AND INSOLVENCY**

Bankruptcy and insolvency of you, or your estate will not relieve us of our obligations under this policy.

### **D. CANCELLATION**

This policy may be cancelled by the first Named Insured by mailing to us written notice stating when such cancellation will be effective.

The policy may be cancelled by us by mailing to the first Named Insured at your last known address, written notice stating when, not less than sixty (60) days thereafter, fifteen (15) days if cancellation is for non-payment of any unpaid portion of the premium, such cancellation will be effective. The mailing of notice will be sufficient proof of notice. The effective date and hour of cancellation stated in the notice will be the end of the policy period.

If you cancel, earned premium will be computed in accordance with the applicable short rate table or procedure. If we cancel, earned premium will be computed pro-rata. Premium adjustment may be made at the time cancellation becomes effective. Our check or the check of our representative mailed to you will be sufficient proof of any refund or premium due you.

### **E. CHANGES**

This policy may be changed only by an endorsement issued by us to form a part of the policy.

### **F. DUTIES IN THE EVENT OF "OCCURRENCE," CLAIM OR SUIT**

1. You must see to it that we are notified as soon as practicable of an "occurrence" which may result in a claim for damages under this policy. Notice should include:
  - a. How, when and where the injury or damage took place;
  - b. The names and addresses of any injured persons or witnesses.

- c. The nature and location of any injury or damage arising out of "occurrence."
2. If a claim is made or suit brought against you that is reasonably likely to involve this insurance, you must see to it that we receive written notice of the claim or suit as soon as practicable.
3. You and any other involved insured must:
  - a. Immediately send us copies of any demands, notices, summons or legal papers received in connection with the claim or suit.
  - b. Authorize us to obtain records and other information;
  - c. Cooperate with us in the investigation, settlement or defense of the claim or suit;
  - d. Assist us, upon our request, in the enforcement of any right against any person or organization which may be liable to you because of injury or damage to which this policy may also apply.
4. You will not make or authorize an admission of liability or attempt to settle or otherwise dispose of any claim or suit without our written consent.

#### G. INSPECTION AND AUDIT

We will be permitted but not obligated to inspect your property and operations. Neither our right to make inspections nor the making thereof nor any report thereon will constitute an undertaking, on behalf of or for the benefit of you or others, to determine or warrant that such property or operations are safe. We may examine and audit your books and records during this policy period and extensions thereof and within three (3) years after the final termination of the policy.

#### H. LEGAL ACTION AGAINST US

No person or organization has a right under this policy to:

1. Join us as a party or otherwise bring us into a suit asking for damages from you;
2. Sue us, unless all of the terms of this policy have been fully complied with.

A person or organization may sue us to recover on an agreed settlement or on a final judgment against you obtained after trial. We will not be liable for damages that are not payable under the terms of this policy or that are in excess of the applicable limit of this policy. An agreed settlement means a settlement and release of liability signed by us, you, and the claimant or the claimant's legal representative.

#### I. MAINTENANCE OF UNDERLYING INSURANCE

The policy or policies referred to in the Declarations and schedule of "underlying insurance" or renewals or replacements thereof not more restrictive in coverage will be maintained in full effect during this policy period, except for any reduction in the aggregate limits solely by payment of covered claims and/or claims expense.

If such "underlying insurance" is not maintained in full effect or if any limits of liability of "underlying insurance" are:

1. less than as stated in the schedule of "underlying insurance"; or
2. unavailable due to bankruptcy or insolvency of an underlying insurer; or

3. if there is any material change in the coverage of any "underlying insurance";

then the insurance afforded by this policy will apply in the same manner as if such "underlying insurance" and limits of liability had been in effect, available, so maintained and unchanged.

In the event of bankruptcy, insolvency, or refusal or inability to pay of any underlying insurer, this insurance will not drop down or replace "underlying insurance" and we will not assume any obligation under "underlying insurance".

#### J. OTHER INSURANCE

If "other insurance" is available to you covering a "loss" also covered by this policy, other than a policy that is specifically written to apply in excess of this policy, the insurance afforded by this policy will apply in excess of and will not contribute with such "other insurance".

#### K. PREMIUM

Unless otherwise provided, the premium for this policy is a flat premium and is not subject to adjustment except as provided herein or amended by endorsement.

#### L. YOUR REPRESENTATIONS

By accepting this policy, you agree that:

1. The statements in the Declarations, Schedule of "underlying insurance", and Application for this policy are accurate and complete;
2. Those statements are based upon representations you made to us;
3. This policy has been issued in reliance upon your representations.

#### M. SEPARATION OF INSUREDS

Except with respect to the Limits of Insurance, this policy applies:

1. As if each insured were the only insured;
2. Separately to each insured against whom claim is made or suit is brought.

#### N. SUBROGATION

In the event of any payment under this policy by us, we will be subrogated to all of your rights of recovery against any person or organization, and you will execute and deliver instruments and papers and do whatever else is necessary to secure such rights. You will do nothing after "loss" to prejudice such rights.

The amount recovered through subrogation will be apportioned in the inverse order of payment of the "loss" to the extent of the actual payment. The expenses of all recovery proceedings will be apportioned in the ratio of respective recoveries.

We have no duty to provide coverage under this policy unless you and any other involved insureds have fully complied with the conditions of this policy.



|   |                                      |  |  |
|---|--------------------------------------|--|--|
| Named Insured <b>Cities of Anaheim and Santa Monica</b><br><b>(Authority of California Cities Excess Liability)</b> |                                      |  | Endorsement Number                                 |
| Policy Symbol<br><b>HXW</b>   | Policy Number<br><b>G24102452003</b> | Policy Period<br><b>07/01/2011 TO 07/01/2012</b> | Effective Date of Endorsement<br><b>07/01/2011</b> |
| Insured By (Name of Insurance Company)<br><b>Westchester Surplus Lines Insurance Co</b>                             |                                      |  |  |

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **SERVICE OF SUIT ENDORSEMENT**

Information about service of "suits" upon us is given below. Service of process of "suits" against us may be made upon the following person, or another person we may designate:

**Saverio Rocca, Assistant General Counsel**  
**ACE USA Companies**  
**P.O. Box 1000**  
**436 Walnut Street - WA04K**  
**Philadelphia, PA 19106**

The person named above is authorized and directed to accept service of process on our behalf in any action, "suit" or proceeding instituted against us. If you request, we will give you a written promise that a general appearance will be entered on our behalf if a "suit" is brought.

If you request, we will submit to the jurisdiction of any court of competent jurisdiction. We will accept the final decision of that court or any Appellate Court in the event of an appeal.

The law of some jurisdictions of the United States of America require that the Superintendent, Commissioner or Director of Insurance (or their successor in office) be designated as our agent for service of process. In these jurisdictions, we designate the Director of Insurance as our true and lawful attorney upon whom service of process on our behalf may be made. We also authorize the Director of Insurance to mail process received on our behalf to the company person named above.

If you are a resident of Canada, you may also serve "suit" upon us by serving the government official designated by the law of your province.

**NOTHING HEREIN CONTAINED SHALL BE HELD TO VARY, ALTER, WAIVE OR EXTEND ANY OF THE TERMS, CONDITIONS, OR LIMITATIONS OF THE POLICY TO WHICH THIS ENDORSEMENT IS ATTACHED OTHER THAN AS ABOVE STATED.**

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Authorized Representative



|   |                                      |  |  |
|---|--------------------------------------|--|--|
| Named Insured <b>Cities of Anaheim and Santa Monica</b><br><b>(Authority of California Cities Excess Liability)</b> |                                      |  | Endorsement Number                                 |
| Policy Symbol<br><b>HXW</b>   | Policy Number<br><b>G24102452003</b> | Policy Period<br><b>07/01/2011 TO 07/01/2012</b> | Effective Date of Endorsement<br><b>07/01/2011</b> |
| Insured By (Name of Insurance Company)<br><b>Westchester Surplus Lines Insurance Co</b>                             |                                      |  |  |

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**TRADE OR ECONOMIC SANCTIONS ENDORSEMENT**

This insurance does not apply to the extent that trade or economic sanctions or other laws or regulations prohibit us from providing insurance, including, but not limited to, the payment of claims. All other terms and conditions of policy remain unchanged.

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Authorized Agent



Westchester Surplus Lines Insurance Company

Insurance Company

Cities of Anaheim and Santa Monica  
(Authority of California Cities Excess Liability)

Policyholder

G24102452003

Policy Number

AMWINS INSURANCE BROKERAGE OF CALIFORNIA LLC

Broker/Producer

### **POLICYHOLDER DISCLOSURE NOTICE OF TERRORISM INSURANCE COVERAGE**

You were notified that under the Terrorism Risk Insurance Act, as amended, that you have the right to purchase insurance coverage for losses resulting from acts of terrorism, *as defined in Section 102(1) of the Act*: The term "act of terrorism" means any act that is certified by the Secretary of the Treasury - in concurrence with the Secretary of State, and the Attorney General of the United States - to be an act of terrorism; to be a violent act or an act that is dangerous to human life, property, or infrastructure; to have resulted in damage within the United States, or outside the United States in the case of certain air carriers or vessels or the premises of a United States mission; and to have been committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

**YOU SHOULD KNOW THAT WHERE COVERAGE IS PROVIDED FOR LOSSES RESULTING FROM CERTIFIED ACTS OF TERRORISM, SUCH LOSSES MAY BE PARTIALLY REIMBURSED BY THE UNITED STATES GOVERNMENT UNDER A FORMULA ESTABLISHED BY FEDERAL LAW. HOWEVER, SUCH POLICIES MAY CONTAIN OTHER EXCLUSIONS WHICH MIGHT AFFECT COVERAGE, SUCH AS AN EXCLUSION FOR NUCLEAR EVENTS. UNDER THE FORMULA, THE UNITED STATES GOVERNMENT GENERALLY REIMBURSES 85% OF COVERED TERRORISM LOSSES EXCEEDING THE STATUTORILY ESTABLISHED DEDUCTIBLE PAID BY THE INSURANCE COMPANY PROVIDING THE COVERAGE. THE PREMIUM FOR THIS COVERAGE IS PROVIDED BELOW AND DOES NOT INCLUDE ANY CHARGES FOR THE PORTION OF LOSS THAT MAY BE COVERED BY THE FEDERAL GOVERNMENT UNDER THE ACT.**

**YOU SHOULD ALSO KNOW THAT THE TERRORISM RISK INSURANCE ACT, AS AMENDED, 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, COVERAGE MAY BE REDUCED.**

You elected **NOT** to purchase terrorism coverage under the Act at the price indicated. **ACCORDINGLY, WE WILL NOT PROVIDE THIS COVERAGE AND YOU DO NOT OWE THE ADDITIONAL PREMIUM FOR THAT COVERAGE INDICATED BELOW.**

Terrorism coverage described by the Act under your policy was made available to you for additional premium in the amount of \$6,670.00, however you elected to decline such coverage.



|   |                               |   |   |
|---|-------------------------------|---|---|
| Named Insured Cities of Anaheim and Santa Monica<br>(Authority of California Cities Excess Liability) |                               |   | Endorsement Number                          |
| Policy Symbol<br>HXW  | Policy Number<br>G24102452003 | Policy Period<br>07/01/2011 to 07/01/2012 | Effective Date of Endorsement<br>07/01/2011 |
| Issued By (Name of Insurance Company)<br>Westchester Surplus Lines Insurance Co                       |                               |   |   |

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**ABSOLUTE POLLUTION EXCLUSION**

This endorsement modifies insurance provided under the following:

**ACE CATASTROPHE LIABILITY PLUS POLICY**

Item B of **SECTION II EXCLUSIONS** is deleted and replaced by the following:

This insurance does not apply:

- B. 1. To any injury, damage, expense, cost, "loss", liability or legal obligation arising out of or in any way related to pollution, however caused.
- 2. To any "loss", cost or expense arising out of any:
  - a. Directive, request, demand or order that you or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of pollutants; or
  - b. Claim or suit by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to or assessing the effects of pollutants.

All other terms and conditions of this policy remain unchanged.

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Authorized Representative



|   |                                      |  |  |
|---|--------------------------------------|--|--|
| Named Insured <b>Cities of Anaheim and Santa Monica<br/>(Authority of California Cities Excess Liability)</b> |                                      |  | Endorsement Number                                 |
| Policy Symbol<br><b>HXW</b>   | Policy Number<br><b>G24102452003</b> | Policy Period<br><b>07/01/2011 To 07/01/2012</b> | Effective Date of Endorsement<br><b>07/01/2011</b> |
| Issued By (Name of Insurance Company)<br><b>Westchester Surplus Lines Insurance Co</b>                        |                                      |  |  |

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.  
EMPLOYEE PRACTICES LIABILITY EXCLUSION ENDORSEMENT**

This endorsement modifies insurance provided under the following:

**ACE CATASTROPHE LIABILITY PLUS POLICY**

The following exclusion is added to the policy:

This insurance does not apply to actual or alleged injury, damage, expense, cost, "loss", liability or legal obligation arising out of:

1. Failure to hire any prospective employee or any applicant for employment;
2. Dismissal, discharge or termination of any employee;
3. Failure to promote or advance any employee; or
4. Employment-related practices, policies, acts, omissions or misrepresentations directed at a present, past, future or prospective employee, but not limited to:
  - a. Coercion, harassment, humiliation or discrimination;
  - b. Demotion, evaluation, reassignment, discipline, or retaliation;
  - c. Libel, slander, humiliation, defamation, or invasion of privacy; or
  - d. Violation of civil rights.

This exclusion applies:

1. Whether the insured may be liable as an employer or in any other capacity, and
2. To any obligation to share damages with or repay someone else who must pay damages because of injury.

All other terms and conditions of this policy remain unchanged.

\_\_\_\_\_  
Authorized Representative

**LIMITS OF INSURANCE AMENDATORY ENDORSEMENT**

|  |                                      |  |  |
|--|--------------------------------------|--|--|
| Named Insured<br><b>Cities of Anaheim and Santa Monica (Authority of California Cities Excess Liability)</b> |                                      |  | Endorsement Number                                 |
| Policy Symbol<br><b>HXW</b>  | Policy Number<br><b>G24102452003</b> | Policy Period<br><b>07/01/2011 to 07/01/2012</b> | Effective Date of Endorsement<br><b>07/01/2011</b> |
| Issued By (Name of Insurance Company)<br><b>Westchester Surplus Lines Insurance Company</b>                  |                                      |  |  |

insert the policy number. The remainder of the information is to be completed only when this endorsement is issued subsequent to the preparation of the policy.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**This endorsement modifies insurance provided under the following:**

**ACE CATASTROPHE LIABILITY PLUS POLICY**

The **Limits of Insurance** as appearing in the Declarations to this policy are completed to read as follows:

|               |                 |               |                                 |
|---------------|-----------------|---------------|---------------------------------|
| \$ 25,000,000 | Each Occurrence | \$ 25,000,000 | Aggregate<br>(Where Applicable) |
|               | Part Of         |               |                                 |
| \$ 50,000,000 | Each Occurrence | \$ 50,000,000 | Aggregate<br>(Where Applicable) |

All other terms and conditions of this policy remain unchanged.

\_\_\_\_\_  
Authorized Representative



|   |                               |   |   |
|---|-------------------------------|---|---|
| Named Insured Cities of Anaheim and Santa Monica<br>(Authority of California Cities Excess Liability) |                               |   | Endorsement Number                          |
| Policy Symbol<br>HXW  | Policy Number<br>G24102452003 | Policy Period<br>07/01/2011 to 07/01/2012 | Effective Date of Endorsement<br>07/01/2011 |
| Issued By (Name of Insurance Company)<br>Westchester Surplus Lines Insurance Co                       |                               |   |   |

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.  
SILICA AND SILICA RELATED DUST EXCLUSION ENDORSEMENT**

This endorsement modifies insurance provided under the following:

**ACE CATASTROPHE LIABILITY PLUS POLICY**

**SECTION II (EXCLUSIONS) WHAT IS NOT COVERED BY THIS POLICY** is amended to include the following additional exclusion.

This insurance does not apply to any:

1. Injury, damage, expense, cost, "loss", demand, claim, liability or legal obligation arising out of the actual, alleged, threatened or suspected inhalation of, ingestion of, contact with, exposure to, existence of, or presence of "Silica" or "Silica Related Dust"; or
2. "Loss", cost or expense arising out of the abating, testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, remediating or disposing of, or responding to or assessing the effects of, "Silica" or "Silica Related Dust", by any Insured or by any other person or entity.

**SECTION III DEFINITIONS** is amended to include the following additional definitions.

"Silica" means silicon dioxide (occurring in crystalline, amorphous and impure forms), "silica" particles, "silica" dust or "silica" compounds.

"Silica Related Dust" means a mixture or combination of "silica" and other dust or particles.

The addition of this endorsement does not imply that other policy provisions, including but not limited to any pollution exclusion or asbestos exclusion, do not also exclude coverage for dust or particulate matter related injury, damage, expense, cost, "loss", liability or legal obligation.

All other terms and conditions of this policy remain unchanged.

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Authorized Representative



|   |                                      |  |  |
|---|--------------------------------------|--|--|
| Named Insured <b>Cities of Anaheim and Santa Monica<br/>(Authority of California Cities Excess Liability)</b> |                                      |  | Endorsement Number                                 |
| Policy Symbol<br><b>HXW</b>   | Policy Number<br><b>G24102452003</b> | Policy Period<br><b>07/01/2011 to 07/01/2012</b> | Effective Date of Endorsement<br><b>07/01/2011</b> |
| Issued By (Name of Insurance Company)<br><b>Westchester Surplus Lines Insurance Co</b>                        |                                      |  |  |

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**UNIMPAIRED AGGREGATE PROVISION**

This endorsement modifies insurance provided under the following:

**ACE CATASTROPHE LIABILITY PLUS POLICY**

The Limits of Insurance of this policy shall not apply in excess of any reduced or exhausted underlying aggregate limit of insurance to the extent that such reduction or exhaustion is the result of any injury, damage, expense, cost, "loss", liability or legal obligation which is not covered by this insurance.

All other terms and conditions of this policy remain unchanged.

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Authorized Representative



|   |                                      |  |  |
|---|--------------------------------------|--|--|
| Named Insured <b>Cities of Anaheim and Santa Monica<br/>(Authority of California Cities Excess Liability)</b> |                                      |  | Endorsement Number                                 |
| Policy Symbol<br><b>HXW</b>   | Policy Number<br><b>G24102452003</b> | Policy Period<br><b>07/01/2011 to 07/01/2012</b> | Effective Date of Endorsement<br><b>07/01/2011</b> |
| Issued By (Name of Insurance Company)<br><b>Westchester Surplus Lines Insurance Co</b>                        |                                      |  |  |

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**EXCLUSION OF CERTIFIED ACTS OF TERRORISM**

**This endorsement modifies insurance provided under the following:**

**ACE CATASTROPHE LIABILITY PLUS POLICY**

The following exclusion is added to the policy:

This insurance does not apply:

To "any injury or damage" arising, directly or indirectly, out of a "certified act of terrorism".

For the purposes of this exclusion, the following definitions are added:

1. "Any injury or damage" means any injury or damage covered under any coverage part or "underlying insurance" to which this endorsement is applicable and as may be defined in any applicable coverage part or "underlying insurance".
2. "Certified act of terrorism" means an act that is certified by the Secretary of the Treasury, in concurrence with the Secretary of State and the Attorney General of the United States, to be an act of terrorism pursuant to the federal Terrorism Risk Insurance Act. The criteria contained in the Terrorism Risk Insurance Act for a "certified act of terrorism" include the following:
  - a. The act resulted in insured losses in excess of \$5,000,000 in the aggregate, attributable to all types of insurance subject to the Terrorism Risk Insurance Act; and
  - b. The act is a violent act or an act that is dangerous to human life, property or infrastructure and is committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

All other terms and conditions of this policy remain unchanged.

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Authorized Representative



|   |                                      |  |  |
|---|--------------------------------------|--|--|
| Named Insured <b>Cities of Anaheim and Santa Monica<br/>(Authority of California Cities Excess Liability)</b> |                                      |  | Endorsement Number                                 |
| Policy Symbol<br><b>HXW</b>   | Policy Number<br><b>G24102452003</b> | Policy Period<br><b>07/01/2011 to 07/01/2012</b> | Effective Date of Endorsement<br><b>07/01/2011</b> |
| Issued By (Name of Insurance Company)<br><b>Westchester Surplus Lines Insurance Co</b>                        |                                      |  |  |

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**DESIGNATED ONGOING OPERATIONS EXCLUSION**

This endorsement modifies insurance provided under the following:

**ACE CATASTROPHE LIABILITY PLUS POLICY**

The following exclusion is added to the policy:

This insurance does not apply to any injury, damage, expense, cost, "loss", liability or legal obligation arising out of the ongoing operations described in the Schedule in this endorsement, regardless of whether such operations are conducted by you or on your behalf or whether the operations are conducted for yourself or for others.

Unless a "location" is specified in the Schedule, this exclusion applies regardless of where such operations are conducted by you or on your behalf. If a specific "location" is designated in the Schedule of this endorsement, this exclusion applies only to the described ongoing operations conducted at that "location".

**SCHEDULE**

|   |
|---|
| Description of Excluded Designated Ongoing Operation(s):<br>Landfills |
| Specified Excluded Location (If Applicable):<br>Landfills             |

If no entry appears above, information required to complete this endorsement will be shown in the Declarations as applicable to this endorsement.)

The following definition is added to the policy and applies to this endorsement:

"Location" means premises involving the same or connecting lots, or premises whose connection is interrupted only by a street, roadway, waterway or right-of-way of a railroad.

All other terms and conditions of this policy remain unchanged.

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Authorized Representative



|   |                                      |  |  |
|---|--------------------------------------|--|--|
| Named Insured <b>Cities of Anaheim and Santa Monica<br/>(Authority of California Cities Excess Liability)</b> |                                      |  | Endorsement Number                                 |
| Policy Symbol<br><b>HXW</b>   | Policy Number<br><b>G24102452003</b> | Policy Period<br><b>07/01/2011 to 07/01/2012</b> | Effective Date of Endorsement<br><b>07/01/2011</b> |
| Issued By (Name of Insurance Company)<br><b>Westchester Surplus Lines Insurance Co</b>                        |                                      |  |  |

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**NUCLEAR EXCLUSION**

**This endorsement modifies insurance provided under the following:**

**ACE CATASTROPHE LIABILITY PLUS POLICY**

**SECTION II (EXCLUSIONS) WHAT IS NOT COVERED BY THIS POLICY** is amended to include the following:

This insurance does not apply:

1. To any injury or damage:
  - a. With respect to which an insured under the policy is also an insured under a nuclear energy liability policy issued by Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability Underwriters, Nuclear Insurance Association of Canada or any of their successors, or would be an insured under any such policy but for its termination upon exhaustion of its limits of insurance; or
  - b. Resulting from the hazardous properties of nuclear material and with respect to which (1) any person or organization is required to maintain financial protection pursuant to the Atomic energy Act of 1954, or any law amendatory thereof, or (2) the insured is, or had this policy not been issued would be, entitled to indemnity from the United States of America or any agency thereof under any agreement entered into the by the United Sates of America or any agency thereof with any person or organization.
2. To any injury or damage resulting from the hazardous properties of nuclear material if:
  - a. The nuclear material (1) is at any nuclear facility owned by or operated by or on behalf of an insured or (2) has been discharged or dispersed therefrom;
  - b. The nuclear material is contained in spent fuel or waste at any time possessed, handled, used, processed, stored, transported or disposed of by or on behalf of an insured; or
  - c. The injury or damage arises out of the furnishing by an insured of services, materials, parts or equipment in connection with the planning, construction, maintenance, operations or use of any nuclear facility.

As used in the exclusion:

- a. Hazardous properties include radioactive, toxic or explosive properties;
- b. Nuclear material means source material, special nuclear material or by product material;
- c. Source material, special nuclear material, and by product material have the meanings given them in the Atomic Energy Act of 1954 or in any law amendatory thereof.
- d. Spent fuel means any fuel element or fuel component, solid or liquid, which has been used or exposed to radiation in a nuclear reactor;

- e. Waste means any waste material (1) containing by product material other than the tailings or waste produced by the extraction or concentration of uranium or thorium from any ore processed primarily for its source material content, and (2) resulting from the operation by any person or organization of any nuclear facility included under the first two paragraphs of the definition of the nuclear facility.
- f. Nuclear facility means:
  - (1) Any nuclear reactor;
  - (2) Any equipment or device designed or used for separating the isotopes of uranium or plutonium, processing or utilizing spent fuel or handling, processing or packaging waste;
  - (3) Any equipment or device used for the processing, fabricating or alloying of special nuclear material if at any time the total amount of such material in the custody of the insured at the premises where such equipment or device is located consists of or contains more than 250 grams of uranium 235;
  - (4) Any structure, basin, excavation, premises or place prepared or used for the storage or disposal of waste; and
  - (5) The site on which any of the foregoing is located, all operations conducted on such site and all premises used for such operations.
- g. Nuclear reactor means any apparatus designed or used to sustain nuclear fission in a self-supporting chain reaction or to contain a critical mass of fissionable material.
- h. Injury or damage includes all forms of radioactive contamination of property.

All other terms and conditions of this policy remain unchanged.

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Authorized Representative



|   |                                      |  |  |
|---|--------------------------------------|--|--|
| Named Insured <b>Cities of Anaheim and Santa Monica<br/>(Authority of California Cities Excess Liability)</b> |                                      |  | Endorsement Number                                 |
| Policy Symbol<br><b>HXW</b>   | Policy Number<br><b>G24102452003</b> | Policy Period<br><b>07/01/2011 to 07/01/2012</b> | Effective Date of Endorsement<br><b>07/01/2011</b> |
| Issued By (Name of Insurance Company)<br><b>Westchester Surplus Lines Insurance Co</b>                        |                                      |  |  |

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**SUB-LIMITED COVERAGE EXCLUSION**

**This endorsement modifies insurance provided under the following:**

**ACE CATASTROPHE LIABILITY PLUS POLICY**

The following exclusion is added to the policy:

This insurance does not apply to any injury, damage, expense, cost, "loss", liability or legal obligation arising out of coverage for which a "sub-limit" is imposed in any "underlying insurance".

The following definition is added to the policy:

"Sub-limit" means any limit of insurance applicable to a specific hazard, peril, cause of injury or damage or category of "loss" in "underlying insurance" which is less than the amount of limits applicable in general in such "underlying insurance".

All other terms and conditions of this policy remain unchanged.

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Authorized Representative



|  |                                       |  |  |
|--|---------------------------------------|--|--|
| Named Insured <b>Cities of Anaheim and Santa Monica</b><br>(Authority of California Cities Excess Liability) |                                       |  | Endorsement Number                                 |
| Policy Symbol<br><b>HXW</b>  | Policy Number<br><b>G24102452 003</b> | Policy Period<br><b>07/01/2011 to 07/01/2012</b> | Effective Date of Endorsement<br><b>07/01/2011</b> |
| Issued By (Name of Insurance Company)<br><b>Westchester Surplus Lines Insurance Co</b>                       |                                       |  |  |

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.  
INSURING AGREEMENT COVERAGE SECTION AMENDMENT**

This endorsement modifies insurance provided under the following:

**ACE CATASTROPHE LIABILITY PLUS POLICY**

**SECTION I. INSURING AGREEMENTS**, part A. COVERAGE, is deleted and replaced with the following:

We will pay, on your behalf, "loss" arising out of an "occurrence" but only after all "underlying insurance" has been exhausted by the payment of the limits of such insurance for covered injury or damage. If "underlying insurance" does not pay a loss for reasons other than the exhaustion of an aggregate limit of insurance, then we will not pay such "loss."

The definitions, terms, conditions, limitations and exclusions of the first policy of "underlying insurance" apply to this coverage unless they are inconsistent with provisions of this policy or relate to premium, subrogation, any obligation to defend, the payment of expenses, amounts of limits of insurance, cancellation or any renewal agreement.

All other terms and conditions of this policy remain unchanged.

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Authorized Representative



|  |                                       |  |  |
|--|---------------------------------------|--|--|
| Named Insured <b>Cities of Anaheim and Santa Monica</b><br>(Authority of California Cities Excess Liability) |                                       |  | Endorsement Number                                 |
| Policy Symbol<br><b>HXW</b>  | Policy Number<br><b>G24102452 003</b> | Policy Period<br><b>07/01/2011 to 07/01/2012</b> | Effective Date of Endorsement<br><b>07/01/2011</b> |
| Issued By (Name of Insurance Company)<br><b>Westchester Surplus Lines Insurance Co</b>                       |                                       |  |  |

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**OTHER INSURANCE AMENDMENT**

**This endorsement modifies insurance provided under the following:**

**ACE CATASTROPHE LIABILITY PLUS POLICY**

**SECTION IV. CONDITIONS, Part J. OTHER INSURANCE** is deleted and replaced by the following:

If "other insurance", whether collectible or not, is available to you covering a "loss" also covered by this policy, other than a policy that is specifically written to apply in excess of this policy, the insurance afforded by this policy will apply in excess of and will not contribute with such "other insurance".

All other terms and conditions of this policy remain unchanged.

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Authorized Representative

**SCHEDULE A – SCHEDULE OF UNDERLYING INSURANCE**  
(Excess Liability)

|   |                                |   |   |
|---|--------------------------------|---|---|
| Named Insured<br>Cities of Anaheim and Santa Monica (Authority of California Cities Excess Liability) |                                |   | Endorsement Number                          |
| Policy Symbol<br>HXW  | Policy Number<br>G24102452 003 | Policy Period<br>07/01/2011 To 07/01/2012 | Effective Date of Endorsement<br>07/01/2011 |
| Issued By (Name of Insurance Company)<br>Westchester Surplus Lines Insurance Company                  |                                |   |   |

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**THIS ENDORSEMENT MODIFIES INSURANCE PROVIDED UNDER THE FOLLOWING:**

**ACE CATASTROPHE LIABILITY PLUS POLICY**

**A. First Policy of Underlying Insurance:**

\$ 10,000,000 Per Occurrence  
 \$ 10,000,000 Completed Operations Hazard Aggregate  
 As Provided By: Starr Indemnity & Liability Company  
 Policy Period: 07/01/2011 To 07/01/2012

**WHICH IS ECESS OF \$5,000,000 PER OCCURRENCE SELF-INSURED RETENTION**

**B. Next Layer Excess of First Policy of Underlying Insurance:**

\$ 10,000,000 Each Occurrence  
 \$ 10,000,000 Aggregate (Where Applicable)  
 As Provided By: Endurance Risk Solution Assurance Company  
 Policy Period: 07/01/2011 To 07/01/2012

**C. Next Layer:**

\$ 25,000,000 Each Occurrence  
 \$ 25,000,000 Aggregate (Where Applicable)  
 As Provided By: Lexington Insurance Company  
 Policy Period: 07/01/2011 To 07/01/2012

**D. Next Layer:**

\$ 25,000,000 Each Occurrence  
 \$ 25,000,000 Aggregate (Where Applicable)  
 As Provided By: AXIS Surplus Lines Insurance Company  
 Arch Insurance Company  
 Policy Period: 07/01/2011 To 07/01/2012

E. Next Layer:

\$ 25,000,000      Each Occurrence

\$ 25,000,000      Aggregate (Where Applicable)

As Provided By:    AXIS Surplus Lines Insurance Company  
Arch Insurance Company

Policy Period:     07/01/2011 To 07/01/2012

## DEFENSE WITHIN LIMIT ENDORSEMENT

|  |                                      |  |  |
|--|--------------------------------------|--|--|
| Named Insured<br><b>Cities of Anaheim and Santa Monica (Authority of California Cities Excess Liability)</b> |                                      |  | Endorsement Number                                 |
| Policy Symbol<br><b>HXW</b>  | Policy Number<br><b>G24102452003</b> | Policy Period<br><b>07/01/2011 To 07/01/2012</b> | Effective Date of Endorsement<br><b>07/01/2011</b> |
| Issued By (Name of Insurance Company)<br><b>Westchester Surplus Lines Insurance Company</b>                  |                                      |  |  |

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**THIS ENDORSEMENT MODIFIES INSURANCE PROVIDED UNDER THE FOLLOWING:**

**ACE CATASTROPHE LIABILITY PLUS POLICY**

Item C. 3. of **SECTION I. INSURING AGREEMENTS** is deleted and replaced by the following:

3. Subject to all of the foregoing:
  - a. Whether or not Defense and/or Supplemental payment expenses are included within the limit of insurance of any "underlying insurance", any such expense payment we make will reduce the limit of insurance of this policy.

All other terms and conditions of this policy remain unchanged.

|  |                                      |  |  |
|--|--------------------------------------|--|--|
| Named Insured<br><b>Cities of Anaheim and Santa Monica (Authority of California Cities Excess Liability)</b> |                                      |  | Endorsement Number                                 |
| Policy Symbol<br><b>HXW</b>  | Policy Number<br><b>G24102452003</b> | Policy Period<br><b>07/01/2011 to 07/01/2012</b> | Effective Date of Endorsement<br><b>07/01/2011</b> |
| Issued By (Name of Insurance Company)<br><b>Westchester Surplus Lines Insurance Company</b>                  |                                      |  |  |

Insert the policy number. The remainder of the information is to be completed only when this endorsement is issued subsequent to the preparation of the policy.

## **Designated Entity Limitation Endorsement**

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**This endorsement modifies insurance provided under the following:**

### **ACE CATASTROPHE LIABILITY PLUS POLICY**

This policy applies only to losses arising from the operations of the cities of Anaheim and Santa Monica.

Under no circumstances will this policy apply to losses arising from the operations of any entity other than the cities of Anaheim and Santa Monica.

All other terms and conditions of this policy remain unchanged.

\_\_\_\_\_  
Authorized Representative

|  |                                      |  |  |
|--|--------------------------------------|--|--|
| Named Insured<br><b>Cities of Anaheim and Santa Monica (Authority of California Cities Excess Liability)</b> |                                      |  | Endorsement Number                                 |
| Policy Symbol<br><b>HXW</b>  | Policy Number<br><b>G24102452003</b> | Policy Period<br><b>07/01/2011 to 07/01/2012</b> | Effective Date of Endorsement<br><b>07/01/2011</b> |
| Issued By (Name of Insurance Company)<br><b>Westchester Surplus Lines Insurance Company</b>                  |                                      |  |  |

Insert the policy number. The remainder of the information is to be completed only when this endorsement is issued subsequent to the preparation of the policy.

## BLOOD BORNE PATHOGEN EXCLUSION

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**This endorsement modifies insurance provided under the following:**

### ACE CATASTROPHE LIABILITY PLUS POLICY

It is agreed that the following is added to **SECTION II EXCLUSIONS**:

This insurance does not apply to:

Bodily Injury, Personal Injury, Property Damage or Advertising Injury arising out of:

1. The "transmission" of Acquired Immune Deficiency Syndrome (AIDS) or AIDS Related Complex (ARC) by the Insured's "blood products" as herein defined; or
2. The "transmission" of or any "infection", as herein defined, caused by the "transmission" of, or the testing or the failure to test for the presence of, or the counseling as a result of any of the foregoing relating to one or more of the following viruses:
  - HBV
  - HCV
  - HTLVI
  - HTLV II
  - HTLV III
  - HTLVIV
  - Hepatitis B Virus
  - Hepatitis C Virus
  - Human T Lymphotropic Virus I
  - Human T Lymphotropic Virus II
  - Human T Lymphotropic Virus III Also known as LA V - Lymphadenopathy Associated Virus also known as HIV I - Human Immunodeficiency Virus 1
  - Human T Lymphotropic Virus IV also known as HIV - Human Immunodeficiency Virus 2
3. For purposes of this Endorsement, the following Definitions apply:
  - i. "Blood products" means a unit or units of whole blood or its derivatives, including but not limited to red blood cells, plasma, platelet concentrate, leukocyte concentrate, albumin, gamma globulin, cryoprecipitate or Factor IX concentrate.
  - ii. "Transmission" means the transfer or carrying of a thing or conditions, such as a Signal from the brain, or infectious or inborn disease, or an inborn trait, from one person or place to another "Infection" means the invasion of the body by germs or viruses that reproduce

and multiply, causing disease or local injury, release or poison, germ antibody reaction, or virus antibody reaction in the cells.

- iii. A disease caused by the invasion of the body by germs or viruses.

All other terms and conditions of this policy remain unchanged.

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Authorized Representative



# Claims Directory

## Umbrella/Excess Casualty/Environmental

Claims or Loss Notices related to this policy should be reported to the following:

| Claim Office                 | Email and Fax  | Location                                    |
|------------------------------|--|---|
| ACE<br>Westchester<br>Claims | First Notices Email:<br><a href="mailto:WSGUMB-LTECLAIMS@ACEGROUP.COM">WSGUMB-LTECLAIMS@ACEGROUP.COM</a><br><br>First Notices Fax:<br>215.640.5055 or<br>1.877.518.3494<br><br>General Correspondence Fax:<br>1-866-635-5688 | P.O. Box 5119<br>Scranton, PA<br>18505-0549 |



## **ACE Producer Compensation Practices & Policies**

ACE believes that policyholders should have access to information about ACE's practices and policies related to the payment of compensation to brokers and independent agents. You can obtain that information by accessing our website at <http://www.aceproducercompensation.com> or by calling the following toll-free telephone number: 1-866-512-2862.

## **U.S. TREASURY DEPARTMENT'S OFFICE OF FOREIGN ASSETS CONTROL ("OFAC") ADVISORY NOTICE TO POLICYHOLDERS**

No coverage is provided by this Policyholder Notice nor can it be construed to replace any provisions of your policy. You should read your policy and review your Declarations page for complete information on the coverages you are provided.

This Notice provides information concerning possible impact on your insurance coverage due to directives issued by OFAC. **Please read this Notice carefully.**

The Office of Foreign Assets Control (OFAC) administers and enforces sanctions policy, based on Presidential declarations of "national emergency". OFAC has identified and listed numerous:

- Foreign agents;
- Front organizations;
- Terrorists;
- Terrorist organizations; and
- Narcotics traffickers;

as "Specially Designated Nationals and Blocked Persons". This list can be located on the United States Treasury's web site – <http://www.treas.gov/ofac>.

In accordance with OFAC regulations, if it is determined that you or any other insured, or any person or entity claiming the benefits of this insurance has violated U.S. sanctions law or is a Specially Designated National and Blocked Person, as identified by OFAC, this insurance will be considered a blocked or frozen contract and all provisions of this insurance are immediately subject to OFAC. When an insurance policy is considered to be such a blocked or frozen contract, no payments nor premium refunds may be made without authorization from OFAC. Other limitations on the premiums and payments also apply.