



FOLLOW FORM EXCESS LIABILITY POLICY DECLARATIONS

Policy Number: **SF14FXS816274IV**
New

Producer Number: **AMWI0004**

Insuring Company: **Navigators Insurance Company**
One Penn Plaza, 32nd Floor
New York, NY 10119

Producer: **AmWins Insurance Brokerage of California, LLC**
19867 Prairie Street, Suite 250
Chatsworth, CA 91311

1. Named Insured: **Authority for California Cities Excess Liability (ACCEL)**
Address: **c/o Alliant Insurance Services, 100 Pine Street, 11th Floor**
San Francisco, CA 94111

2. Policy Period: From **07/01/2014** to **07/01/2015**
(At 12:01 A.M. Standard Time at your mailing address shown above.)

3. Limits of Insurance:
Each Event **\$12,500,000**
General Aggregate **\$12,500,000**

4. Controlling Underlying Insurance:
Coverage/Carrier **AXIS/NAVG / Excess Liability** Policy Term **7/1/2014 - 7/1/2015**

5. Underlying Limits:
Each Event: **\$70,000,000**
General Aggregate: **\$70,000,000**
Products-Completed Operations Aggregate: **\$70,000,000**

6. Premium:
a. Policy Premium: **\$50,882**
b. Minimum Earned Premium: **\$12,721**
c. Terrorism Premium: **Excluded**

7. Endorsements Attached to this Policy

Follow Form Excess Liability Policy	NAV-FXS-001 (04/10)
California Changes	NAV-ECD-200-CA (04/10)
CLAIM REPORTING PROCEDURES	NAV-PHN-200 (10/13)
OFAC ENDORSEMENT	NAV-ML-002 (11/12)
Exclusion - Rejected Coverage	NAV-FXS-321 (04/10)
Exclusion of Certified Acts of Terrorism	NAV-FXS-401 (04/10)
Amendment - Named Insured And Mailing Address	NAV-ECD-102 (02/11)
Amendment - Cancellation Condition	NAV-FXS-402 (11/10)
Quota Share And Shared Controlling Underlying Endorsement	NAV-ECD-100 (03/05)
Amendment - Products-Completed Operations Aggregate	NAV-ECD-100 (03/05)
Amendment - Underlying Limits	NAV-ECD-100 (03/05)

Signed at: _____ by _____
Authorized Representative

This day of: _____



Following Form Excess Liability Policy

Various provisions of this policy restrict coverage. Read the entire policy carefully to determine your rights, duties and what is and is not covered.

Throughout the policy the words “you” and “your” refer to the Named Insured shown in the Declarations. The words “we,” “us” and “our” refer to the company providing this insurance. Other words and phrases that appear in quotations in this policy have the meanings given them in SECTION V – DEFINITIONS of this policy. Words and phrases defined in “underlying insurance” have the meanings given them in that policy.

SECTION I – COVERAGE

1. Insuring Agreement
 - a. We will pay those sums the insured becomes legally obligated to pay as damages for “loss” to which this insurance applies. This insurance only applies to:
 1. “loss” to which the “controlling underlying insurance” applies, or would apply but for the exhaustion of an Aggregate Limit; and
 2. Damages that exceed the “underlying limits” paid by “underlying insurance” with our consent;
 - b. This insurance is subject to the provisions of the “controlling underlying insurance” in effect at the beginning of this policy period unless a conflicting provision is contained in, or endorsed to, this policy;
 - c. We have the right but not the duty to associate with the insured or any other insurer in the investigation of claims or defense of suits to which this insurance could be reasonably expected to apply. We will have the duty to investigate such claims or defend such suits only if the “controlling underlying insurance’s” expressed duty to investigate or defend ends because it has paid the full limit of insurance in judgments or settlement of claims. We have the right, at our discretion, to settle any claim to which this insurance applies. Expenses we incur to investigate any claim or defend any suit will be paid in addition to the Limits of Insurance except when such costs reduce the limits of any “underlying insurance,” in which case they will reduce our Limits of Insurance;
 - d. The amount we pay is limited. See SECTION III – LIMITS OF INSURANCE.
2. Exclusions

This insurance does not apply to any liability for “loss:”

 - a. arising out of the actual, alleged, suspected or threatened inhalation of, ingestion of, contact with, exposure to, existence of, or presence of “asbestos;”

SECTION II – WHO IS AN INSURED

Any person or organization that is an insured in “controlling underlying insurance” is an insured in this insurance to the same extent.

SECTION III – LIMITS OF INSURANCE

The Limits of Insurance shown in item 3 of the Declarations and the rules below fix the most we will pay regardless of the number of insureds, claims made or suits brought, or persons or organizations making claims or bringing suits.

1. The General Aggregate Limit is the most we will pay for all damages under this policy, except damages because of bodily injury or property damage included with the Products-Completed Operations Aggregate if applicable. The General Aggregate Limit will apply to the same Coverages and in the same manner as Aggregate Limits apply to the “controlling underlying insurance;”



2. The Product-Completed Operations Aggregate Limit is the most we will pay for all damages because of bodily injury or property damage included within any applicable products-completed operations hazard;
3. Subject to paragraphs 1. and 2. above, the Each Event Limit is the most we will pay for all damages arising out of any one "event."

SECTION IV – CONDITIONS

Conditions applicable to the "controlling underlying insurance" apply to this insurance unless contrary to the following:

1. Appeals
We may appeal any judgment which could result in a payment under this policy. We will pay all costs associated with such appeal in addition to our Limits of Insurance. Any such appeal will not increase our Limits of Insurance.
2. Duties When There is a Claim or Suit
You must see to it that we are notified as soon as practicable of any claim reported to the "controlling underlying insurance." Notice may be sent to our address shown in the Declarations.
3. Legal Action Against Us
No person or organization has a right under this insurance:
 - a. to join us as a party or otherwise bring us into a suit asking for damages from an insured; or
 - b. to sue us on this insurance unless all of its terms have been fully complied with.
4. Maintenance of Underlying Insurance
During this policy period you will maintain "underlying insurance" with the same coverage and limits that were in effect at the beginning of this policy period. If changes are made to the "underlying insurance" that increase our exposure under this policy, you must notify us of such changes. We have the right to decline to follow such changes or make an additional premium charge.
If you fail to comply with any part of this Condition we will only be liable to the extent to which we would have been liable had you complied.
Reduction of "underlying limits" by the payment of judgments or settlements because of "loss," during this policy period and to which this insurance applies, or would apply but for the amount of the damages, will not be considered a failure to maintain "underlying insurance."
5. Other Insurance
This insurance is excess over any valid and collectable insurance available to the insured except insurance purchased specifically to apply in excess of this policy. Nothing in this condition will reduce the amount of "underlying limits."
6. Payment of Damages
When the amount of damages payable under this policy has been determined by final judgment or a written settlement agreement to which we agree, we will pay that amount, up to our applicable Limits of Insurance, after the insured or the "controlling underlying insurance" has paid, or agreed to pay, the full amount of the "underlying limits."
7. Cancellation
We may cancel this policy by mailing or delivering to the first Named Insured written notice of cancellation, at least 10 days before the effective date of cancellation for non-payment of premium, or 30 days before the effective date of cancellation for any other reason. If we cancel, return premium, if any, will be calculated on a pro rate basis, subject to any Minimum Earned Premium shown in the Declarations.

You may cancel this policy at any time after returning it to us or the Producer shown in the Declarations. If you cancel, return premium, if any, will be calculated on a short rate basis, subject to any Minimum Earned Premium shown in the Declarations.



8. Non-Renewal

We may non-renew this policy by mailing or delivering to the first Named Insured written notice of Non-Renewal at least 30 days before the expiration date.

9. Premium

The Premium shown in item 6.a. of the Declarations is the premium for the Coverage we provide. The Premium shown in item 6.b. of the Declarations is the minimum amount that we will retain in the event the policy is cancelled at any time for any reason.

The first Named Insured is responsible for the payment of premium when due under this policy and will be the recipient of all return premiums, if any.

10. Representations

By accepting this policy you agree:

- a. the statements in the applications for this policy and the “underlying insurance,” and the Declarations are accurate and complete;
- b. we have issued this policy in reliance upon those statements; and
- c. misrepresentation of, or concealment of, material information will void coverage under this policy.

SECTION V – DEFINITIONS

Words and phrases defined by the “controlling underlying insurance” have the same meanings in this policy, except for the following:

1. “Asbestos” means the mineral in any form.
2. “Controlling underlying insurance” means the policy listed in item 4 of the Declarations, or its renewal or replacement.
3. “Event” means an accident, incident, occurrence, offense, wrongful act or other “loss” causing event defined by and to which the “controlling underlying insurance” applies.
4. “Loss” means bodily injury, property damage, personal and advertising injury or other loss defined by and to which the “underlying insurance” applies.
5. “Underlying insurance” means the “controlling underlying insurance” and its underlying insurance policies, if any, including their renewals or replacements.
6. “Underlying limits” means the amount shown in item 5 of the Declarations. This is the minimum amount which must be paid by “underlying insurance” before we pay anything.

In Witness whereof, the issuing Company has caused this policy to be signed below and countersigned by a duly authorized representative of such Company.

Stanley A. Galanski, President

Jeff L. Saunders, Vice President

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CALIFORNIA CHANGES

The following applies and supersedes any other provision to the contrary:

A. The Cancellation Condition is replaced by the following:

1. All Policies In Effect For 60 Days Or Less

If this policy has been in effect for 60 days or less, and is not a renewal of a policy we have previously issued, we may cancel this policy by mailing or delivering to you, at the mailing address shown in the policy and to the producer of record, advance written notice of cancellation, stating the reason for cancellation, at least:

a. 10 days before the effective date of cancellation if we cancel for:

(1) Nonpayment of premium; or

(2) (Discovery of fraud by:

(a) Any insured or his or her representative in obtaining this insurance; or

(b) You or your representative in pursuing a claim under this policy.

b. 30 days before the effective date of cancellation if we cancel for any other reason.

2. All Policies In Effect For More Than 60 Days

a. If this policy has been in effect for more than 60 days, or is a renewal of a policy we issued, we may cancel this policy only upon the occurrence, after the effective date of the policy, of one or more of the following:

(1) Nonpayment of premium, including payment due on a prior policy we issued and due during the current policy term covering the same risks.

(2) Discovery of fraud or material misrepresentation by:

(a) Any insured or his or her representative in obtaining this insurance; or

(b) You or your representative in pursuing a claim under this policy.

(3) A judgment by a court or an administrative tribunal that you have violated a California or Federal law, having as one of its necessary elements an act which materially increases any of the risks insured against.

(4) Discovery of willful or grossly negligent acts or omissions, or of any violations of state laws or regulations establishing safety standards, by you or your representative, which materially increase any of the risks insured against.

(5) Failure by you or your representative to implement reasonable loss control requirements, agreed to by you as a condition of policy issuance, or which were conditions precedent to our use of a particular rate or rating plan, if that failure materially increases any of the risks insured against.

(6) A determination by the Commissioner of Insurance that the:

(a) Loss of, or changes in, our reinsurance covering all or part of the risk would threaten our financial integrity or solvency; or

(b) Continuation of the policy coverage would:

(i) Place us in violation of California law or the laws of the state where we are domiciled; or

(ii) Threaten our solvency.

(7) A change by you or your representative in the activities or property of the commercial or industrial enterprise, which results in a materially added, increased or changed risk, unless the added, increased or changed risk is included in the policy.

- (8) A material change in limits, type or scope of coverage, or exclusions in one or more of the underlying policies.
 - (9) Cancellation or nonrenewal of one or more of the underlying policies where such policies are not replaced without lapse.
 - (10) A reduction in financial rating or grade of one or more insurers, insuring one or more underlying policies based on an evaluation obtained from a recognized financial rating organization.
- b. We will mail or deliver advance written notice of cancellation, stating the reason for cancellation, to you at the mailing address shown in the policy, and to the producer of record, at least:
- (1) 10 days before the effective date of cancellation if we cancel for nonpayment of premium or discovery of fraud; or
 - (2) 30 days before the effective date of cancellation if we cancel for any other reason listed in Paragraph 3.a.

B. The Non Renewal Condition is replaced by the following:

- 1 If we elect not to renew this policy, we will mail or deliver written notice stating the reason for nonrenewal to you and to the producer of record, at least 60 days, but not more than 120 days, before the expiration or anniversary date.
We will mail or deliver our notice to you, and to the producer of record, at the mailing address shown in the policy.

All other terms of the policy remain unchanged.

Policyholder Notice

CLAIM REPORTING PROCEDURES

Conditions of the policy require that in the event of a claim, you notify us as soon as practicable. All claim notifications are to be reported to the Schaumburg Claims Office by electronic mail to RBClaims@navg.com.

In the alternative, claim notices may also be:

- Mailed to the Schaumburg Claims Office at:

Navigators Management Co., Inc.
Claims Division
1375 E. Woodfield Road, Suite 720
Schaumburg, IL 60173
- Or faxed to 203-658-1824
- Or telephone 855-444-4796

All claims notifications must be accompanied by an ACORD loss form and should contain current contact information for the insured and claimant(s) as well as a detailed description of the loss.

If the insured files a claim with the agent, it is the agent's responsibility to forward the claim to the Schaumburg Claims Office.

OFAC ENDORSEMENT

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

U.S. ECONOMIC AND TRADE SANCTIONS LIMITATIONS CLAUSE

No insurer shall be deemed to provide cover and no insurer shall be liable to pay any claim or provide any benefit hereunder to the extent that the provision of such cover, payment of such claim or provision of such benefit would expose that insurer to any sanction, prohibition or restriction under the trade or economic sanctions, laws or regulations of the United States of America.

The United States of America trade or economic sanctions, laws or regulations shall include, but not be limited to, those sanctions administered and enforced by the U.S. Treasury Department's Office of Foreign Assets Control (OFAC).

All other terms, conditions and exclusions of this Policy remain unchanged.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION - REJECTED COVERAGE

This endorsement modifies insurance provided under the following:

FOLLOW FORM EXCESS LIABILITY COVERAGE PART

A. The following is added to SECTION I – COVERAGE, 2. Exclusions:

This insurance does not apply to any liability:

1. for which coverage was available on the “controlling underlying insurance” but which you did not purchase.

All other terms of the policy remain unchanged.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION OF CERTIFIED ACTS OF TERRORISM

A. The following exclusion is added to SECTION I – COVERAGE, 2. Exclusions:

This insurance does not apply to any liability:

1. for "loss" arising out of a "certified act of terrorism."

B. The following is added to SECTION V - DEFINITIONS:

"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.

All other terms of the policy remain unchanged.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

AMENDMENT - NAMED INSURED AND MAILING ADDRESS

Item 1. of the Declarations is amended as follows:

Authority for California Cities Excess Liability
c/o Alliant Insurance Services
100 Pine Street, 11th Floor
San Francisco, CA 94111

Coverage applies to the following members of Authority for California Cities Excess Liability (ACCEL) only:

City of Anaheim
City of Palo Alto
City of Santa Monica

All other terms of the policy remain unchanged.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

AMENDMENT - CANCELLATION CONDITION

This endorsement modifies insurance provided under the following:

FOLLOW FORM EXCESS LIABILITY COVERAGE PART

SECTION IV - CONDITIONS, 7. is deleted and replaced by the following:

We may cancel this policy by mailing or delivering to the first Named Insured written notice of cancellation, at least 10 days before the effective date of cancellation for non-payment of premium, or at least 90 days in advance if we cancel for any other reason. If we cancel, return premium, if any, will be calculated on a pro rata basis, subject to any Minimum Earned Premium shown in the Declarations.

You may cancel this policy at any time after returning it to us or the Producer shown in the Declarations. If you cancel, a return premium, if any, will be calculated on a short rate basis, subject to any Minimum Earned Premium shown in the Declarations.

All other terms of the policy remain unchanged.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

Quota Share And Shared Controlling Underlying Endorsement

This endorsement modifies insurance provided under this policy:

FOLLOW FORM EXCESS LIABILITY COVERAGE PART

A. Item 3. Limits of Insurance on the Declaration page is amended to read:

\$12,500,000 part of \$25,000,000 Each Event
\$12,500,000 part of \$25,000,000 Products-Completed Operations Aggregate

B. SECTION I - COVERAGE, Paragraph 1.a.1. is deleted and replaced by the following:

1. our portion of "loss" to which the "controlling underlying insurance" applies, or would apply, but for the exhaustion of an Aggregate Limit and to which the policy or policies shown below in the Schedule of Layer Participants apply; and

C. SECTION I - COVERAGE, 1. Insuring Agreement, c. is deleted and replaced by the following:

- c. We have the right but not the duty to associate with the insured or any other insurer in the investigation of claims or defense of suits to which this insurance could be reasonably expected to apply. We will have the duty to investigate such claims or defend such suits only if:
1. the "controlling underlying insurance's" expressed duty to investigate or defend ends because it has paid the full limit of insurance in judgments or settlement of claim; and
 2. All carriers shown below in the Schedule of Layer Participants have a duty to investigate such claims or defend such suits.

We have the right, at our discretion, to settle any claim to which this insurance applies. Expenses we incur to investigate any claim or defend any suit will be paid in addition to the Limits of Insurance except when such costs reduce the limits of any "underlying insurance" in which case they will reduce our limits of Insurance;

D. The following is added to SECTION IV - CONDITIONS:

Insolvency of any carrier shown in the Schedule of Layer Participants below will not increase our obligations under this policy. We will not be required to pay a greater portion of damages nor replace any policy or policies shown below in the Schedule of Layer Participants.

E. SECTION IV - CONDITIONS, 5. is deleted and replaced by the following:

5. This insurance is excess over any insurance available to the insured except:
- a. insurance purchased specifically to apply in excess of this policy; or
 - b. insurance provided by the policy or policies shown below in the Schedule of Layer Participants.

F. SECTION V – DEFINITIONS, “Controlling underlying insurance” is deleted and replaced by the following: “Controlling underlying insurance” means the policies listed in the Schedule of Controlling Underlying Insurance Layer Participants in this endorsement or their renewals or replacements.

Schedule of Layer Participants

Carrier/Policy Number	Policy Limits	part of	Layer Limit
Axis Surplus Insurance Company/ ELU734212/01/2014	\$12,500,000	part of	\$25,000,000

Schedule of Controlling Underlying Insurance Layer Participants

Carrier/Policy Number	Policy Limits	part of Layer Limit
Carrier: Navigators Insurance Company Policy Number: SF14FXS787292IV Term: 07/01/2014 to 07/01/2015	\$12,500,000 Each Occurrence \$12,500,000 Aggregate	\$25,000,000 Each Occurrence \$25,000,000 Aggregate
Which is in excess of at least	\$50,000,000 Each Occurrence \$50,000,000 Aggregate	
Carrier: Axis Surplus Insurance Company Policy Number: ELU720681/01/2014 Term: 07/01/2014 to 07/01/2015	\$12,500,000 Each Occurrence \$12,500,000 Aggregate	\$25,000,000 Each Occurrence \$25,000,000 Aggregate
Which is in excess of at least	\$50,000,000 Each Occurrence \$50,000,000 Aggregate	

All other terms of the policy remain unchanged.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

Amendment - Products-Completed Operations Aggregate

This endorsement modifies insurance provided under this policy:

SECTION III – LIMITS OF INSURANCE has been deleted and replaced by the following:

The Limits of Insurance shown in Item 3. of the Declarations and the rules below fix the most we will pay regardless of the number of insureds, claims made or suits bought, or persons or organizations making claims or bringing suits.

1. The General Aggregate Limit is the most we will pay for all damages under this policy, except damages because of bodily injury or property damage included with the Products-Completed Operations Aggregate if applicable. The General Aggregate Limit will apply to the same Coverages and in the same manner as Aggregate Limits apply to the “controlling underlying insurance;”

2. The Products-Completed Operations Aggregate Limit is the most we will pay for all damages because of bodily injury or property damage included within any applicable products-completed operations hazard. The Products-Completed Operations Aggregate Limit will apply to the same Coverages and in the same manner as Aggregate Limits apply to the “controlling underlying insurance;”

3. Subject to paragraphs 1. and 2. above, the Each Event Limit is the most we will pay for all damages arising out of any one “event.”

All other terms of the policy remain unchanged.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

Amendment - Underlying Limits

This endorsement modifies insurance provided under this policy:

Item 5. Underlying Limits:

\$25,000,000 Each Occurrence
\$25,000,000 Aggregate, where applicable

Which is in excess of at least

\$45,000,000 Each Occurrence
\$45,000,000 Completed Operations Aggregate,
Excess of \$5,000,000 Self Insured Retention

All other terms of the policy remain unchanged.