



Evanston Insurance Company
4521 Highwoods Parkway
Glen Allen, Virginia 23060

CERTIFICATE OF CASUALTY FACULTATIVE REINSURANCE DECLARATIONS
Reinsurance Certificate No.: MPEREV0079-16-00 Renewal of Certificate No.: N/A

1. Company and Address: Authority for California Cities Excess Liability (ACCEL)
c/o Alliant Insurance Services
100 Pine Street, 11th Floor
San Francisco, CA 94111
2. Reinsurance of Policy No: Per Endorsement #5 and Endorsement #6
3. Insured Name and Address: Authority for California Cities Excess Liability (ACCEL)
And per Endorsement #5 and Endorsement #6
c/o Alliant Insurance Services
100 Pine Street, 11th Floor
San Francisco, CA 94111
4. Term of Policies Reinsured: July 01, 2016 to December 31, 2016 (MOC 0716)
January 01, 2017 to July 01, 2017 (MOC 0117)
5. Term of Reinsurance: July 01, 2016 to July 01, 2017
6. Type of Insurance: Facultative Reinsurance of ACCEL Excess
Liability Memorandum of Coverage as Scheduled via
Endorsements (MOC 0716 (eff 7/1/16 to 12/31/16) and
MOC 0117 (eff 1/1/17 to 7/1/17))
7. Limit(s) of Policy Reinsured: \$5,000,000 inclusive of the Insured's Self Insured
Retentions
8. Reinsurer's Limit of Liability \$2,000,000 Ultimate Net Loss Each Occurrence Per
Member Agency in excess of the Retention subject to
one limit of liability applying if more than one member
involved in same occurrence.
9. Company Retention \$3,000,000 Ultimate Net Loss Each Occurrence Per
Member Agency inclusive of the Insureds' Self Insured
Retentions subject to separate Insured's Self Insured
Retentions applying if more than one member involved
in same occurrence.

10. Basis of Acceptance: Contributing Excess or Other Proportional
 Excess of Loss; Losses Occurring
11. Reinsurance Premium: \$810,257 (non auditable except for the addition of new Members)
12. Intermediary and Address: AmWINS Insurance Brokerage of California
21550 Oxnard Street, Suite 1100
Woodland Hills, CA 91367
13. Additional Reinsurance Conditions: Per attached terms and conditions

Date of Issue: 4/12/17

By: Brendan Falvey
Brendan Falvey Director

Manuscript Dec. 7/2016

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Evanston Insurance Company
4521 Highwoods Parkway
Glen Allen, Virginia 23060

Certificate Number: MPEREV0079-16-00

CERTIFICATE OF CASUALTY FACULTATIVE REINSURANCE

GENERAL CONDITIONS

Subject to the Terms of this Certificate, the liability of the Reinsurer named in this Certificate shall follow that of the Company under the Policy Reinsured.

1. DEFINITIONS – As used in this Certificate, the following terms shall mean:

Company – The entity or entities ceding reinsurance under this Certificate.

Contributing Excess or Other Proportional - The liability of the Reinsurer is proportional to the liability of the Company under the Policy Reinsured in the percentage stated in the Reinsurance Limit(s) Section of the Declarations. The Policy Reinsured may apply in excess of other insurance, reinsurance, or self-insured retention or include a deductible.

Declarations – Shall mean an applicable slip, cover note, or binder (including the Terms therein) when used in lieu of a declarations page.

Declaratory Judgment Expense – Amounts paid by the Company in connection with the analysis, prosecution, defense, or resolution of an action or proceeding, whether for declaratory judgment or other action or proceeding, to determine the obligations as between the Company and the Insured under the Policy Reinsured. Declaratory Judgment Expense shall include legal fees and court costs but exclude office expenses and payments to any salaried employee of the Company, as well as amounts paid in connection with any action or proceeding commenced by the Company where no actual dispute exists between the Company and the Insured.

Excess of Loss – The liability of the Reinsurer for Loss and/or Expense attaches only after any applicable Retention has been satisfied.

Expense – Amounts paid by the Company as settlement or in satisfaction of claims for expense under the Policy Reinsured or otherwise in connection with the investigation, adjustment, or disposition of claims (whether for loss or expense) under the Policy Reinsured. Expense shall include legal fees, court costs, pre and post-judgment interest, and charges and expenses of affiliated claims or technical services but exclude office expenses and payments to any salaried employee of the Company, and Declaratory Judgment Expense.

Include; Including – include but not be limited to; including but not limited to.

Insured – The entity or entities (re)insured under the Policy Reinsured.

Loss – Amounts paid by the Company as settlement or in satisfaction of claims for loss under the Policy Reinsured.

Policy Reinsured – The (re)insurance contract(s) reinsured by this Certificate.

Reinsurer – The entity or entities assuming reinsurance under this Certificate.

Retention – The amount stated in the Retention Section of the Declarations (if no amount is stated therein, the Retention shall be zero), which may be retained and/or protected by reinsurance as provided in General Condition #2.

Terms – Terms and/or conditions, including limits, premium, and any exclusions.

2. **RETENTION** – The Retention, if any, may consist of: (i) amounts retained by the Company or any company under common management, ownership, or control with the Company; (ii) amounts protected by any treaty reinsurance; and/or (iii) amounts protected by any facultative reinsurance that the Company declares to the Reinsurer as comprising part of the applicable Retention. The Company shall notify the Reinsurer promptly of any facultative reinsurance comprising part of such Retention. If it fails to do so, the liability of the Reinsurer shall be reduced in the ratio that such undeclared facultative reinsurance bears to such Retention.
3. **THIRD-PARTY RIGHTS** – Except as provided in General Condition #8, in no event shall any person or entity other than the Company and the Reinsurer have any rights under this Certificate, and said Certificate shall not be assignable by either party.
4. **POLICY REINSURED, ENDORSEMENTS, & RECORDS** – Upon request, the Company shall furnish the Reinsurer with a copy of the Policy Reinsured and all endorsements thereto that affect this reinsurance and make available for inspection at reasonable times any of its records relating to this reinsurance or claims in connection therewith. The Company shall notify the Reinsurer promptly of any change in the Policy Reinsured affecting this Certificate. Any change in the Terms of the Policy Reinsured subsequent to the effective date of this Certificate shall not increase or extend the Reinsurer's liability hereunder unless such change is made part of this Certificate by written amendment executed by the Reinsurer.

5. **CLAIMS & SETTLEMENTS** – The Company shall give the Reinsurer written notice as soon as reasonably practicable of any occurrence, accident, event, or circumstance that in the opinion of the Company will likely involve this Certificate, including, if this reinsurance is on a Contributing Excess or Other Proportional basis, any occurrence, accident, event, or circumstance for which the Company establishes an initial loss reserve; or, if this reinsurance is on an Excess of Loss basis, when a loss reserve equals or exceeds fifty percent of the applicable Retention.

The Company in its full discretion shall investigate, defend, and resolve claims or proceedings affecting this reinsurance. While the Reinsurer does not undertake to investigate or defend claims or proceedings, it shall nevertheless have the right and be given the opportunity, at its request and with the cooperation of the Company, to appoint representatives at its own expense and to become associated with the Company and the Company's representatives in the investigation or defense of any claims or proceedings involving this Certificate.

All good faith settlements, compromises, and adjustments of claims under the Policy Reinsured made by the Company, including those involving coverage issues and/or the resolution of whether such claims are required by law, regulation, or regulatory authority to be covered (or not to be excluded) there under, shall be binding on the Reinsurer. Upon receipt of a proof of loss, the Reinsurer shall immediately pay its share of Loss and/or Expense paid by the Company.

Unless otherwise provided in the Additional Reinsurance Conditions Section of the Declarations, the treatment of Expense shall follow form with the Policy Reinsured. If expense is included within the limits of the Policy Reinsured: (i) the Retention shall be satisfied by Loss and/or Expense; and (ii) the Reinsurance Limit(s) stated in the Declarations shall be exhausted by Loss and/or Expense. If expense is payable in addition to the limits of the Policy Reinsured: (i) the Retention shall be satisfied only by Loss; (ii) the Reinsurance Limit(s) shall be exhausted only by Loss; and (iii) Expense shall be payable by the Reinsurer in addition to the Reinsurance Limit(s). If this reinsurance is on a Contributing Excess or Other Proportional basis, Expense shall be payable hereunder in the percentage stated in the Reinsurance Limit(s) Section of the Declarations. If this reinsurance is on an Excess of Loss basis and expense is payable in addition to the limits of the Policy Reinsured, Expense shall be payable hereunder in the ratio that the Reinsurer's liability for Loss under the Certificate bears to the Company's gross liability for Loss under the Policy Reinsured. (The references to the "Retention" in this paragraph shall apply to Excess of Loss reinsurance only.)

Declaratory Judgment Expense shall also be payable by the Reinsurer in the percentage stated in the Reinsurance Limit(s) Section of the Declarations (Contributing Excess or Other Proportional reinsurance) or in the ratio that the Reinsurer's Liability for Loss under the Certificate bears to the Company's gross Liability for Loss under the Policy Reinsured (Excess of Loss reinsurance). As used in this paragraph, "Liability for Loss" shall be determined based on the amount of the Insured's claim attributable to the Policy Reinsured, without regard to the actual Loss paid by the Company (if any). Declaratory Judgment Expense shall be payable in addition to the Reinsurance Limit(s). However, such additional liability for Declaratory Judgment Expense shall not exceed 100% of the Reinsurance Limit(s), subject to a maximum hereunder for each Reinsurer of US \$1,000,000.

6. **SUBROGATION & SALVAGE** – If this reinsurance is on a Contributing Excess or Other Proportional basis, the Reinsurer will be paid or credited by the Company with its proportion of subrogation and/or salvage, namely, reimbursement obtained or recovery made by the Company, less the actual cost (excluding office expenses and payments to any salaried employee of the Company) of obtaining such reimbursement or making such recovery. If this reinsurance is on an Excess of Loss basis, subrogation and/or salvage shall be in the inverse order in which liability attaches.

7. **INSOLVENCY** – In the event of the insolvency of the Company, this reinsurance shall be payable directly to the Company, or to its liquidator, receiver, conservator, or statutory successor immediately upon demand on the basis of the liability of the Company without diminution because of the insolvency of the Company or because the liquidator, receiver, conservator, or statutory successor of the Company has failed to pay all or a portion of any claim. It is agreed, however, that the liquidator, receiver, conservator, or statutory successor of the Company shall give written notice to the Reinsurer of the pendency of a claim against the Company which would involve a possible liability on the part of the Reinsurer, indicating the policy or bond reinsured, within a reasonable time after such claim is filed in the conservation or liquidation proceeding or in the receivership. It is further agreed that during the pendency of such claim the Reinsurer may investigate such claim and interpose, at its own expense, in the proceeding where such claim is to be adjudicated, any defense or defenses that it may deem available to the Company or its liquidator, receiver, conservator, or statutory successor. The expense thus incurred by the Reinsurer shall be chargeable, subject to the approval of the Court, against the Company as part of the expense of conservation or liquidation to the extent of a pro rata share of the benefit which may accrue to the Company solely as a result of the defense undertaken by the Reinsurer.

Where two or more Reinsurers are involved in the same claim and a majority in interest elects to interpose defense to such claim, the expense shall be apportioned in accordance with the Terms of this Certificate as though such expense had been incurred by the Company.

The reinsurance shall be payable by the Reinsurer to the Company or to its liquidator, receiver, conservator, or statutory successor, except: (a) where this Certificate specifically provides another payee of such reinsurance in the event of the insolvency of the Company; (b) where the Reinsurer with the consent of the direct insured or insureds has voluntarily assumed such original policy obligations of the Company as direct obligations of the Reinsurer to the payees under the Policy Reinsured and in substitution for the obligations of the Company to the payees; or (c) where provided otherwise under applicable law. Then, with the prior approval of the applicable regulatory authority, if required, the Company is entirely released from its obligation and the Reinsurer shall pay any loss directly to payees under the Policy Reinsured.

8. **OFFSET** – Unless prohibited by applicable law, the Reinsurer or the Company may offset any balance, whether on account of premiums, commissions, claims, Loss, Expense, recoveries, or any other amount, due from one party to the other under this Certificate or any other reinsurance agreement entered into between them.

9. **ARBITRATION** – Any and all disputes or differences arising out of this Certificate, including its formation and validity, shall be submitted to binding arbitration. Any arbitration shall be based upon the Procedures for the Resolution of U.S. Insurance and Reinsurance Disputes dated September 1999 (the “Procedures”), as supplemented by the paragraphs below.

The Panel shall consist of three disinterested arbitrators, one to be appointed by the Petitioner, one to be appointed by the Respondent and the third to be appointed by the two party-appointed arbitrators. The third arbitrator shall serve as the umpire, who shall be neutral. The arbitrators and umpire shall be persons who are current or former officers or executives of an insurer or reinsurer. Within 30 days of the commencement of the arbitration proceeding, each party shall provide the other party with the identification of its party-appointed arbitrator, his or her address (including telephone, fax and e-mail information), and provide a copy of the arbitrator’s curriculum vitae. If either party fails to appoint an arbitrator within that 30-day period, the non-defaulting party will appoint an arbitrator to act as the party-appointed arbitrator for the defaulting party. The umpire shall be appointed by the two party-appointed arbitrators as soon as practical (but no later than 30 days) after the appointment of the second arbitrator. The party-appointed arbitrators may consult, in confidence, with the party who appointed them concerning the appointment of the umpire. Where the two party-appointed arbitrators have failed to reach agreement on an umpire within the time specified above, each party shall propose to the other in writing, within seven days thereafter, eight umpire candidates from the ARIAS-U.S. Certified Arbitrators List in effect at the time of the commencement of the arbitration. The umpire will then be selected in accordance with paragraph 6.7(b)-(e) of the Procedures. (Unless the parties agree otherwise, the ARIAS-U.S. Umpire Questionnaire Form in effect at the time of the commencement of the arbitration shall be used.) The arbitration shall take place in California.

Unless prohibited by law, the Supreme Court of the State of California and United States District Court for California shall have exclusive jurisdiction over any and all court proceedings that either party may initiate in connection with the arbitration, including proceedings to compel, stay or enjoin arbitration or to confirm, vacate, modify, or correct an Arbitration Award.

For purposes of this General Condition, the terms “Arbitration Award,” “disinterested,” “Notice of Arbitration,” “Panel,” “Party” (or “Parties”), “Petitioner,” “Respondent,” and “Response” shall have the meanings set forth in article 2 of the Procedures (Definitions).

In the event of any conflict between the Procedures and this General Condition, this General Condition, and not the Procedures, will control.

This General Condition shall survive the expiration or termination of this Certificate.

10. **CANCELLATION**

- A. In the event that the Policy Reinsured is canceled or terminated, the reinsurance provided hereunder shall terminate simultaneously, in which case the company shall be entitled to a return of premium on the Certificate, less any corresponding ceding commission, in proportion to the premium returned by the Company under the Policy Reinsured.

The Reinsurer may cancel this Certificate, effective at any time during its term, by giving prior written notice (as provided in C below) of not less than 90 days, in which case the Company shall be entitled to a return of premium on the Certificate, less any corresponding ceding commission, or a pro rata bases.

- B. In the event of non-payment of premium when due, the Reinsurer may cancel this Certificate by giving prior written notice (as provided in C below) or not less than 30 days.
- C. Notwithstanding any General condition of this Certificate to the contrary, no notice of cancellation by the Reinsurer shall be effective unless sent directly to the Company at the address provided in the Declarations through an internationally recognized courier capable of providing written confirmation of delivery (e.g. Federal Express) at least 30 or 90 days (whichever is applicable) before the stated date of cancellation, and received by the Company. Any cancellation for which notice is required shall be effective at midnight of the last day of the notice period.

11. INTERMEDIARY – (Applicable only as between the company and broker market reinsurers)

The entity named in the Intermediary Section of the Declarations is hereby recognized as the intermediary negotiating this Certificate for all business hereunder. Except as otherwise provided in General Condition #10, all communications (including notices, statements, premiums, return premiums, commissions, taxes, Loss, Expense, salvage, and settlements) relating thereto shall be transmitted to the Company or the Reinsurer through the intermediary at the address listed on the Declarations. Payments by the Company to the intermediary shall constitute payment to the Reinsurer to the extent of such payments. Payments by the Reinsurer to the intermediary shall only constitute payment to the Company to the extent that such payments are actually received by the Company.

12. NOTICES – (Applicable only as between the Company and direct market reinsurers) Any written notice required under this Certificate shall be transmitted to the Company or the Reinsurer at the address listed on the Declarations.

13. GOVERNING LAW – This Certificate shall be governed by and construed in accordance with the laws of the State of California without regard to its conflicts of law principles.

14. CONFIDENTIALITY – All Terms of this Certificate, all materials provided by the Company to the Reinsurer in connection with this Certificate, and, unless otherwise in the possession of the Reinsurer on a non-confidential basis, all information contained in such materials (collectively, “confidential information”) shall be kept confidential by the Reinsurer, unless the disclosure is required pursuant to process of law, or the disclosure is to the Reinsurer’s affiliates, retrocessionaires, legal counsel, financial auditors, or governing regulatory authorities.

If the Reinsurer is required to disclose any Confidential Information pursuant to process of law, it shall give prompt written notice to the Company so that the Company may seek a protective order or otherwise object to the disclosure. Disclosure or use of Confidential Information for any purpose


beyond the scope of this Certificate is expressly forbidden without the prior written consent of the Company.

This General Condition shall survive the expiration or termination of this Certificate.

15. **TAXES** – The Company (or the intermediary where applicable) shall pay all taxes on premium ceded to the Reinsurer under this Certificate, including any Federal Excise Tax but excluding income or other taxes imposed directly on the Reinsurer. Notwithstanding the above, where the Federal Excise Tax is applicable, the Reinsurer agrees to the deduction of 1% of such premium to fund payment of the tax. In the event of any return of premium becoming due hereunder, the Reinsurer shall deduct 1% from the amount of the return, and the Company (or the intermediary where applicable) is responsible for recovering the tax from the United States Government.
16. **SEVERABILITY** – If any provision of this Certificate shall be rendered illegal or unenforceable by the laws, regulations, or public policy of any jurisdiction, such provision shall be considered void in such jurisdiction, but this shall not affect the validity or enforceability of any other provision of this Certificate or the validity or enforceability of such provision in any other jurisdiction.
17. **ENTIRE AGREEMENT, INTERPRETATION** – With respect to the Policy Reinsured, (i) this Certificate constitutes the entire agreement between the parties, and (ii) there are no understandings or agreements between the parties other than those expressed in this Certificate. Any change to or modification of this Certificate will be made by written amendment to this Certificate and signed by the parties hereto.

This Certificate is entered into between sophisticated parties, each of which has reviewed the Certificate and is fully knowledgeable about its Terms. The parties therefore agree that this Certificate shall be construed without regard to the authorship of the language and without any presumption or rule of construction in favor of either of them.

Evanston Insurance Company


Brendan Falvey
Director



Evanston Insurance Company
4521 Highwoods Parkway
Glen Allen, Virginia 23060

ENDORSEMENT # 1

Reinsurance Certificate Number: MPEREV0079-16-00

Effective Date of Endorsement: July 01, 2016

Insured Name: Authority for California Cities Excess Liability (ACCEL)

THIS ENDORSEMENT CHANGES THE REINSURANCE CERTIFICATE PLEASE READ IT CAREFULLY.

Certificate of Casualty Facultative Reinsurance – Amendatory Endorsement

SCHEDULE OF ENDORSEMENTS

(ATTACHED TO THE REINSURANCE CERTIFICATE AT INCEPTION)

- 1. MAN.END.001 Schedule of Endorsements
- 2. MAN.END.002 Cancellation Clause (Credit Rating Trigger) Amendatory Endorsement
- 3. MAN.END.003 Notification of Claim or Suit Endorsement
- 4. MAN.END.004 Claim Reporting Amendatory Endorsement
- 5. MAN.END.005 Schedule of Participating Members Endorsement
- 6. MAN.END.006 Schedule of Participating Members Endorsement Amended eff January 1, 2017
- 7. MAN.END.007 War Exclusion
- 8. MAN.END.008 Insolvency Fund Exclusion
- 9. MAN.END.009 Asbestos Exclusion
- 10. MAN.END.010 Economic or Trade Sanctions Condition Endorsement
- 11. MAN.END.011 Cancellation Amendatory Endorsement
- 12. MAN.END.012 Rate Stabilization Plan Endorsement

ALL OTHER TERMS, DEFINITIONS, CONDITIONS, AND EXCLUSIONS OF THIS REINSURANCE CERTIFICATE REMAIN UNCHANGED.

Brendan Falvey
Brendan Falvey
Director

4/12/17
Date

MAN.END.001



Evanston Insurance Company
4521 Highwoods Parkway
Glen Allen, Virginia 23060

ENDORSEMENT # 2

Reinsurance Certificate Number: MPEREV0079-16-00

Effective Date of Endorsement: July 01, 2016

Insured Name: Authority for California Cities Excess Liability (ACCEL)

THIS ENDORSEMENT CHANGES THE REINSURANCE CERTIFICATE PLEASE READ IT CAREFULLY.

**Certificate of Casualty Facultative Reinsurance – Amendatory Endorsement
CANCELLATION CLAUSE (CREDIT RATING TRIGGER)– AMENDATORY ENDORSEMENT**

In consideration of the premium charged, it is hereby understood and agreed that the **GENERAL CONDITIONS FOR FACULTATIVE REINSURANCE CERTIFICATE, SECTION 10, CANCELLATION** is amended by adding the following paragraph to the end thereof:

Notwithstanding the foregoing, in the event that a financial strength rating is issued (1) below A- by A.M. Best Co., or (2) below A- by Standard & Poor’s Rating Services, for the Reinsurer providing the insurance (hereinafter “Credit Rating Downgrade”), or (3) the Reinsurer has filed for protections under any US Code/Chapter regarding insolvency or reorganization, then this Certificate may be cancelled by the Company by mailing written prior notice to the Reinsurer or its authorized agent. If this Certificate is cancelled by the Company within 60 days after such Credit Rating Downgrade, insolvency or reorganization, the Reinsurer shall return the unearned pro rata proportion of the premium as of the effective date of cancellation and shall waive any minimum earned premium requirement specified herein.

ALL OTHER TERMS, DEFINITIONS, CONDITIONS, AND EXCLUSIONS OF THIS REINSURANCE CERTIFICATE REMAIN UNCHANGED.

Brendan Falvey
Brendan Falvey
Director

4/12/17
Date



Evanston Insurance Company
4521 Highwoods Parkway
Glen Allen, Virginia 23060

ENDORSEMENT # 3

Reinsurance Certificate Number: MPEREV0079-16-00
Effective Date of Endorsement: July 01, 2016
Insured Name: Authority for California Cities Excess Liability (ACCEL)

THIS ENDORSEMENT CHANGES THE REINSURANCE CERTIFICATE PLEASE READ IT CAREFULLY.

Certificate of Casualty Facultative Reinsurance – Amendatory Endorsement

NOTIFICATION OF CLAIM OR SUIT ENDORSEMENT

SECTION 5. CLAIMS & SETTLEMENT of the Certificate of Facultative Reinsurance is hereby amended to include the following:

Notice of Ultimate Net Loss Each Occurrence likely to involve this reinsurance certificate, is to be sent with all pertinent facts to:

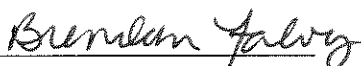
Markel Global Re Claims
Name: Maria L. Nieve, MBA
Title: Manager, Reinsurance Claims
Address: 535 Springfield Avenue, Suite 200 Summit, NJ 07901

Phone(s): Direct: (732) 450-8763 Voicemail (800) 243-6869, ext. 28763

Email address: mnieve@markelcorp.com

Please report all new losses to newclaims@markelcorp.com and send all other correspondence to markelclaims@markelcorp.com

ALL OTHER TERMS, DEFINITIONS, CONDITIONS, AND EXCLUSIONS OF THIS REINSURANCE CERTIFICATE REMAIN UNCHANGED.


Brendan Falvey
Director

4/12/17
Date



Evanston Insurance Company
4521 Highwoods Parkway
Glen Allen, Virginia 23060

ENDORSEMENT # 4

Reinsurance Certificate Number: MPEREV0079-16-00
Effective Date of Endorsement: July 01, 2016
Insured Name: Authority for California Cities Excess Liability (ACCEL)

THIS ENDORSEMENT CHANGES THE REINSURANCE CERTIFICATE PLEASE READ IT CAREFULLY.
Certificate of Casualty Facultative Reinsurance – Amendatory Endorsement

CLAIM REPORTING AMENDATORY ENDORSEMENT

SECTION 5: CLAIMS & SETTLEMENTS of the Certificate of Facultative Reinsurance is hereby amended to include the following:

It is agreed that with respect to claim reporting, the Company must provide the Reinsurer with immediate written notice of Ultimate Net Loss Each Occurrence either paid or reserved, for fifty percent (50%) or more of the Insured's retention.

Special Serious Claims Reporting Requirements

The Company must also give the Reinsurer immediate written notice for any claims or suits which the Company becomes aware for any injury of the following types without regard to liability:

- a. one or more fatalities
- b. spinal cord injuries (paraplegic or quadriplegic)
- c. amputations
- d. loss of sight or hearing
- e. severe burns or disfigurement
- f. serious head injuries
- g. serious loss of use of any body part or function
- h. long term hospitalization (30 days or more); or
- i. multiple claims arising out of the same occurrence in which the aggregate ultimate net loss is estimated to exceed 50% of the Company's retained limit.
- j. Lawsuits or writs involving employment practices liability, without regard to liability.
- k. A sexual assault or battery, including but not limited to, rape, molestation or sexual abuse
- l. Any class action

ALL OTHER TERMS, DEFINITIONS, CONDITIONS, AND EXCLUSIONS OF THIS REINSURANCE CERTIFICATE REMAIN UNCHANGED.

Brendan Falvey

4/12/17

Brendan Falvey

Date

Director
MAN.END.004



Evanston Insurance Company
 4521 Highwoods Parkway
 Glen Allen, Virginia 23060

ENDORSEMENT # 5

Reinsurance Certificate Number: MPEREV0079-16-00
Effective Date of Endorsement: July 01, 2016
Insured Name: Authority for California Cities Excess Liability (ACCEL)

THIS ENDORSEMENT CHANGES THE REINSURANCE CERTIFICATE PLEASE READ IT CAREFULLY.

Certificate of Casualty Facultative Reinsurance – Amendatory Endorsement

SCHEDULE OF PARTICIPATING MEMBERS ENDORSEMENT

The **DECLARATIONS** of The Certificate of Facultative Reinsurance, Insured is hereby amended to include the following:

Member (Insured) Name

MOC #

City of Anaheim	ACC1617ANA101A
City of Bakersfield	ACC1617BAK71A
City of Burbank	ACC1617BUR51A
City of Modesto	ACC1617MOD51A
City of Monterey	ACC1617MON71A
City of Mountain View	ACC1617MTNV492A
City of Ontario	ACC1617ONT71A
City of Palo Alto	ACC1617PAL171A
City of Santa Barbara	ACC1617SBA51A
City of Santa Cruz	ACC1617SCZ197A
City of Santa Monica	ACC1617SMO71A
City of Visalia	ACC1617VIA71A

ALL OTHER TERMS, DEFINITIONS, CONDITIONS, AND EXCLUSIONS OF THIS REINSURANCE CERTIFICATE REMAIN UNCHANGED.

Brendan Falvey
 Brendan Falvey
 Director

4/12/17
 Date

MAN.END.005



Evanston Insurance Company
 4521 Highwoods Parkway
 Glen Allen, Virginia 23060

ENDORSEMENT # 6

Reinsurance Certificate Number: MPEREV0079-16-00
Effective Date of Endorsement: January 1, 2017
Insured Name: Authority for California Cities Excess Liability (ACCEL)

THIS ENDORSEMENT CHANGES THE REINSURANCE CERTIFICATE PLEASE READ IT CAREFULLY.

Certificate of Casualty Facultative Reinsurance – Amendatory Endorsement

SCHEDULE OF PARTICIPATING MEMBERS ENDORSEMENT AMENDED

The **DECLARATIONS** of The Certificate of Facultative Reinsurance, Insured is hereby amended to include the following:

Member (Insured) Name

MOC #

City of Anaheim	ACC1617ANA101B
City of Bakersfield	ACC1617BAK71B
City of Burbank	ACC1617BUR51B
City of Modesto	ACC1617MOD51B
City of Monterey	ACC1617MON71B
City of Mountain View	ACC1617MTNV492B
City of Ontario	ACC1617ONT71B
City of Palo Alto	ACC1617PAL171B
City of Santa Barbara	ACC1617SBA51B
City of Santa Cruz	ACC1617SCZ197B
City of Santa Monica	ACC1617SMO71B
City of Visalia	ACC1617VIA71B

ALL OTHER TERMS, DEFINITIONS, CONDITIONS, AND EXCLUSIONS OF THIS REINSURANCE CERTIFICATE REMAIN UNCHANGED.

Brendan Falvey
 Brendan Falvey
 Director

4/12/17
 Date

MAN.END.006



Evanston Insurance Company
4521 Highwoods Parkway
Glen Allen, Virginia 23060

ENDORSEMENT # 7

Reinsurance Certificate Number: MPEREV0079-16-00
Effective Date of Endorsement: July 01, 2016
Insured Name: Authority for California Cities Excess Liability (ACCEL)

THIS ENDORSEMENT CHANGES THE REINSURANCE CERTIFICATE PLEASE READ IT CAREFULLY.

Certificate of Casualty Facultative Reinsurance – Amendatory Endorsement

WAR EXCLUSION


The Certificate of Facultative Reinsurance is hereby amended to include the following exclusion:

This reinsurance does not apply to any liability arising out of or in connection with:

- (1) War, including undeclared or civil war;
- (2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
- (3) Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

However, this exclusion does not apply to an Insured's response to such acts or conditions.

ALL OTHER TERMS, DEFINITIONS, CONDITIONS, AND EXCLUSIONS OF THIS REINSURANCE CERTIFICATE REMAIN UNCHANGED.



Brendan Falvey
Director



Date



Evanston Insurance Company
4521 Highwoods Parkway
Glen Allen, Virginia 23060

ENDORSEMENT # 8

Reinsurance Certificate Number: MPEREV0079-16-00

Effective Date of Endorsement: July 01, 2016

Insured Name: Authority for California Cities Excess Liability (ACCEL)

THIS ENDORSEMENT CHANGES THE REINSURANCE CERTIFICATE PLEASE READ IT CAREFULLY.

Certificate of Casualty Facultative Reinsurance – Amendatory Endorsement

INSOLVENCY FUND EXCLUSION

The Certificate of Facultative Reinsurance is hereby amended to include the following exclusion:

This reinsurance does not apply to any liability arising out of or in connection with:

Insolvency Fund-Liability of the Reinsured arising from its participation or membership, whether voluntary or involuntary, in any insolvency fund, including any guarantee fund, association, pool, plan, or other facility which provides for the assessment of, payment by, or assumption by the Reinsured of a part or the whole of any claim, debt, charge, fee or other obligation of an Reinsurer, or its successors or assigns, that has been declared insolvent by any authority having jurisdiction.

ALL OTHER TERMS, DEFINITIONS, CONDITIONS, AND EXCLUSIONS OF THIS REINSURANCE CERTIFICATE REMAIN UNCHANGED.

Brendan Falvey
Brendan Falvey
Director

4/12/17
Date



Evanston Insurance Company
4521 Highwoods Parkway
Glen Allen, Virginia 23060

ENDORSEMENT # 9

Reinsurance Certificate Number: MPEREV0079-16-00

Effective Date of Endorsement: July 01, 2016

Insured Name: Authority for California Cities Excess Liability (ACCEL)

THIS ENDORSEMENT CHANGES THE REINSURANCE CERTIFICATE PLEASE READ IT CAREFULLY.

Certificate of Casualty Facultative Reinsurance – Amendatory Endorsement

ASBESTOS EXCLUSION

The Certificate of Facultative Reinsurance is hereby amended to include the following condition:

This Certificate of Facultative Reinsurance excludes losses arising out of or related to the presence of, or installation or removal of, asbestos or any product containing asbestos material.

ALL OTHER TERMS, DEFINITIONS, CONDITIONS, AND EXCLUSIONS OF THIS REINSURANCE CERTIFICATE REMAIN UNCHANGED.

Brendan Falvey

Brendan Falvey
Director

4/12/17

Date



Evanston Insurance Company
4521 Highwoods Parkway
Glen Allen, Virginia 23060

ENDORSEMENT # 10

Reinsurance Certificate Number: MPEREV0079-16-00

Effective Date of Endorsement: July 01, 2016

Insured Name: Authority for California Cities Excess Liability (ACCEL)

THIS ENDORSEMENT CHANGES THE REINSURANCE CERTIFICATE PLEASE READ IT CAREFULLY.

Certificate of Casualty Facultative Reinsurance – Amendatory Endorsement

ECONOMIC OR TRADE SANCTIONS CONDITION ENDORSEMENT

The Certificate of Facultative Reinsurance is hereby amended to include the following condition:

Payment of loss under this reinsurance certificate shall only be made in full compliance with all United States of America economic or trade sanction laws or regulations, including, but not limited to, sanctions, laws and regulations administered and enforced by the U.S. Treasury Department's Office of Foreign Assets Control ("OFAC").

ALL OTHER TERMS, DEFINITIONS, CONDITIONS, AND EXCLUSIONS OF THIS REINSURANCE CERTIFICATE REMAIN UNCHANGED.

Brendan Falvey
Brendan Falvey
Director

4/12/17
Date



Evanston Insurance Company
4521 Highwoods Parkway
Glen Allen, Virginia 23060

ENDORSEMENT # 11

Reinsurance Certificate Number: MPEREV0079-16-00

Effective Date of Endorsement: July 01, 2016

Insured Name: Authority for California Cities Excess Liability (ACCEL)

THIS ENDORSEMENT CHANGES THE REINSURANCE CERTIFICATE PLEASE READ IT CAREFULLY.

Certificate of Casualty Facultative Reinsurance – Amendatory Endorsement

CANCELLATION AMENDATORY ENDORSEMENT

The Reinsurer may cancel this Certificate solely for non-payment of premium when due. All other conditions relating to cancellation remain in force.

ALL OTHER TERMS, DEFINITIONS, CONDITIONS, AND EXCLUSIONS OF THIS REINSURANCE CERTIFICATE REMAIN UNCHANGED.

Brendan Falvey
Brendan Falvey
Director

4/12/17
Date



Evanston Insurance Company
4521 Highwoods Parkway
Glen Allen, Virginia 23060

ENDORSEMENT # 12

Reinsurance Certificate Number: MPEREV0079-16-00

Effective Date of Endorsement: July 01, 2016

Insured Name: Authority for California Cities Excess Liability (ACCEL)

THIS ENDORSEMENT CHANGES THE REINSURANCE CERTIFICATE PLEASE READ IT CAREFULLY.

Certificate of Casualty Facultative Reinsurance – Amendatory Endorsement Rate Stabilization Plan Endorsement

This agreement is made this first day of July 2016 by and between Evanston Insurance Company and Authority for California Cities Excess Liability (ACCEL).

This rate stabilization agreement relates to the ACCEL program reinsured by Evanston Insurance Company under policy number MPEREV0079-16-00. Coverage is afforded according to the terms and conditions in the Certificate of Casualty Facultative Reinsurance and in no way shall this agreement alter or modify the Certificate of Casualty Facultative Reinsurance issued by Evanston Insurance Company for ACCEL. To the extent that any provision of this agreement shall be inconsistent with any provision of the Certificate of Casualty Facultative Reinsurance, then the provision of the Certificate of Casualty Facultative Reinsurance, shall control and such inconsistent provisions shall be deemed amended, so that, as amended, such provisions shall be consistent with the provisions of the policy.

Terms and Conditions

A. Length of Agreement

Evanston Insurance Company and ACCEL agree to a Two-Year program, consisting of two, one-year policies, beginning 07/01/2016 and expiring no earlier than 07/01/2018, unless otherwise terminated pursuant to the **Certificate of Casualty Facultative Reinsurance** or terms of this agreement.

A. Agreement Terms

The premium for the 07/01/2016 to 07/01/2017 policy term is \$810,257 as defined in Facultative reinsurance certificate

B. Agreement Conditions

- a. Unless otherwise agreed by both parties, the program structure including program limits, program attachments, and financial terms and conditions remains the same for the length of the agreement; and
- b. There is no material change in the operations or exposures of the ACCEL members; and
- c. None of the lines of insurance covered by this agreement are cancelled by either party. Such cancellation is only allowed within the terms set forth in the policy.



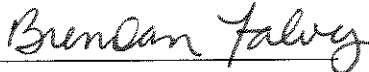
Evanston Insurance Company
4521 Highwoods Parkway
Glen Allen, Virginia 23060

ACCEL Rate Stabilization Plan for Pricing Casualty Facultative Reinsurance 2017

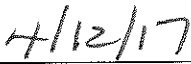
The renewal premium for 7/1/2017 will be stabilized according to the following:

1. The rate for the 2017-2018 policy year will remain at .7100 based on total payroll of \$1,141,156 for ACCEL members eff 7/1/17.
2. This Rate Stabilization is agreed to by both parties. The parties can opt out of this rate stabilization under the following conditions:
 - a. ACCEL will have the option to opt out of the program if Evanston Insurance Company exits the Public Entity marketplace or Evanston Insurance Company's AMBest rating drops below A-.
 - b. Evanston Insurance Company will have the option to opt out of the program if :
 - The estimated payroll for ACCEL changes by more than 10% from the 2016-17 policy year to the 2017-18 policy year or
 - Total incurred claims between \$1,500,000 to \$3,000,000 for policy years 7/1/2006 through 7/1/2017 on a cumulative basis exceed \$3,600,000 untrended as of 12/31/16 versus cumulative \$3,021,000 total incurred claims between \$1,500,000-\$3,000,000 for policy years 7/1/06-7/1/16 as of 12/31/15 or
 - Evanston Insurance Company has an incurred claim to layer in 7/1/16-7/1/17 term. Incurred claim amount (s) will be net of any actual subrogation recovery, but no other recoveries will be removed from the incurred amount.

ALL OTHER TERMS, DEFINITIONS, CONDITIONS, AND EXCLUSIONS OF THIS REINSURANCE CERTIFICATE REMAIN UNCHANGED.



Brendan Falvey
Director



Date