



CERTIFICATE OF CASUALTY FACULTATIVE REINSURANCE DECLARATIONS

Producer: Amwins Insurance Brokerage of California, LLC
21550 Oxnard Street, Suite 1100
Woodland Hills, CA 91367

Previous Certificate No: N/A - New

Certificate No: **USXPE0024621**

Reinsurer: Upland Specialty Insurance Company - AM Best Rating: A-VIII

Company Reinsured and Mailing Address: Authority for California Cities Excess Liability (ACCEL)
c/o Alliant Insurance Services
100 Pine Street, 11th Floor
San Francisco CA 94111

Certificate Term: Effective Date: 07/01/2021
Expiration Date: 07/01/2022

ITEM 1. COVERAGE: Reinsurance of the ACCEL Follow Form Excess Liability Memorandum of Coverage:
Any one Occurrence, Wrongful act or offense for Bodily Injury, Property Damage, Public Officials Errors and Omissions, Employment Practices Liability, or Personal Injury or any combination thereof in excess of underlying insurance and the Retained Limit

ITEM 2. TOTAL INSURED LIMITS: The sum of the Limits shown below in Item 3: Company Retention and Item 4: Reinsurance Accepted

ITEM 3. COMPANY RETENTION: **Underlying Insurance Limits:**
\$25,000,000 Any one Occurrence, Wrongful act or offense for Bodily Injury, Property Damage, Public Officials Errors and Omissions, Employment Practices Liability, or Personal Injury or any combination thereof in excess of underlying insurance and the Retained Limit.
\$20,000,000 Completed Operations Hazard Annual Aggregate.
\$80,000,000 Pool All Member Annual Aggregate Limit.
These **Underlying Insurance Limits** are comprised of the following:
\$10,000,000 (with \$40,000,000 Annual Policy Aggregate)
Gemini Insurance Company (Policy # CEX09600358-08)
Excess of

\$10,000,000 (with \$10,000,000 Completed Operations Hazard Aggregate and \$40,000,000 Annual Policy Aggregate)
Great American Excess and Surplus (Controlling Underlying Policy # 1827326-04)
Excess of
\$5,000,000
Allied World National Assurance Company (Policy# 0312-4087)

Retained Limit

\$10,000,000 Any one Occurrence, Wrongful act or offense for Bodily Injury, Property Damage, Public Officials Errors and Omissions, Employment Practices Liability, or Personal Injury or any combination thereof

ITEM 4. REINSURANCE ACCEPTED:

\$2,000,000 Any one Occurrence, Wrongful act or offense for Bodily Injury, Property Damage, Public Officials Errors and Omissions, Employment Practices Liability, or Personal Injury or any combination thereof; \$2,000,000 Completed Operations Hazard Annual Aggregate; \$8,000,000 Pool All Member Annual Aggregate Limit
Excess of
\$2,500,000 (w/ \$10m Annual Policy Aggregate) – Continental Indemnity Company
Excess of
\$5,000,000 (w/ \$20,000,000 Annual Policy Aggregate) – Everest Reinsurance Co.

ITEM 3: COMPANY RETENTION

Reinsurer will drop down based on erosion of underlying aggregates excess of \$15,000,000

ITEM 5. BASIS OF ACCEPTANCE:	Excess of Loss	
	CONCURRENT	<u>X</u>
	NON-CONCURRENT	—

ITEM 6. REINSURANCE PREMIUM:	
100% LAYER PREMIUM:	\$360,000
PARTICIPATION HEREON:	100%
PREMIUM HEREON:	\$360,000
ADJUSTABLE:	Flat, except for the addition of new members mid-term, for which an additional premium will be charged
CERTIFICATE MINIMUM PREMIUM:	\$360,000 (25% Minimum Earned in event of Cancellation)

LAW: California

JURISDICTION: California

ADDITIONAL REINSURANCE CONDITIONS:

- Limits and Retentions apply per participating member
- Pool Retained Amount includes individual participating members' retained amounts
- Reinsurer will drop down based on erosion of underlying layer Aggregates in the Underlying (Re)Insurance Policies, excess of \$15,000,000 each Occurrence Retained Limit
- No Drop Down for Great American sublimit in respect of any liability arising out of lead in potable water
- The SIR does not recognize a Completed Operations Aggregate, under no circumstance will Reinsurer drop below the 15M Pool Retained Amount
- Reinsurer's prior approval is required for additional Members and additional Named Insureds added during the Certificate Term
- Loss Expenses are inside the Company Retention and inside the Reinsurance Accepted Limits
- Claims Servicer may not be changed without Reinsurer's prior consent
- Declaratory Judgments, Extra Contractual Obligations, Extra Policy Limits excluded

SCHEDULE OF FORMS AND ENDORSEMENTS:

UE 00 02 04 21

Certificate of Casualty Facultative Reinsurance

UE 00 16 04 21

Certificate Change Endorsements:

1. Schedule of Participating Members
2. Communicable Disease Exclusion
3. Cyber Exclusion
4. Access or Disclosure of Confidential or Personal Information; Electronic Data Exclusion
5. Economic or Trade Sanctions Condition
6. Claim Reporting Procedures
7. Notices

CERTIFICATE OF CASUALTY FACULTATIVE REINSURANCE
GENERAL CONDITIONS

In consideration of the payment of the premium and subject to the terms, conditions and limit(s) of liability set forth in the Declarations and any endorsements made a part hereof, the Reinsurer does hereby reinsure the ceding company named in the Declarations (herein called the "Company") in respect of the Company's policy(ies) set forth in the Declarations as follows:

1. **Reinsurer's Liability.** The Reinsurer agrees to indemnify the Company against Losses and Loss Expense that the Company is legally obligated to pay under the policy(ies) reinsured during the term of this Certificate. The liability of the Reinsurer specified in item 4, Reinsurance Accepted of the Declarations, shall follow that of the Company and shall be subject in all respects to the terms and conditions of the Company's policy(ies), except with respect to those terms or conditions that are nonconcurrent with the terms and conditions of this Certificate. The Reinsurer will not be liable for any ex gratia payments.
2. **Company Retention.** The Company warrants to retain for its own account, subject to any applicable treaty or other facultative reinsurance, whether collectible or not, the amount specified in item 3, Company Retention of the Declarations. The Company shall advise the Reinsurer of any facultative reinsurance applicable to its retention.
3. **Policy.** The Company shall furnish the Reinsurer with a copy of its original policy(ies) and any endorsements thereto. Any change in the terms and conditions of the Company's policy(ies) shall not extend the Reinsurer's liability hereunder unless such change is made part of this Certificate by written endorsement of this Certificate, executed by a duly authorized representative of the Reinsurer.
4. **Term.** The effective period of this Certificate shall be as specified in the Declarations at 12:01 AM. as to both inception and expiration dates at the place specified in the Company's policy(ies).
5. **Rights.** In no event shall anyone other than the Company or, in the event of the Company's insolvency, its receiver, liquidator, or statutory successor, have any rights under this Certificate.
6. **Claims.** The Company shall notify the Reinsurer promptly of any claim or occurrence which in the Company's estimate of the value of injuries or damages sought, might result in a judgment in an amount sufficient to involve this reinsurance. The Company shall also notify the Reinsurer promptly of any claim or occurrence in respect of which the Company has created a loss reserve equal to or greater than 50% of the Company's Retention specified in item 3, of the Declarations, or, if this reinsurance applies on a Contributing Excess basis, when notice of claim is received by the Company. While the Reinsurer does not undertake and is not required to investigate or defend claims or suits, it shall have the right and be given the opportunity, with the full cooperation of the Company, to associate counsel at its own expense and to join with the Company and its representatives in the defense and control of any claim, suit or proceeding involving this Certificate. All loss settlements made by the Company, provided they are within the terms, conditions and limit(s) of the Company's policy(ies) and within the terms, conditions and limit(s) of this Certificate shall be binding on the Reinsurer. Upon receipt of an acceptable proof of loss, the Reinsurer shall promptly pay its proportionate share of such Loss as set forth in item 4, Reinsurance Accepted of the Declarations. In addition thereto, The Reinsurer shall pay its proportionate share of Loss Expense (other than office expenses and payments to any salaried employees of the

Company or its affiliates) incurred by the Company in the investigation and settlement of claims and court costs in the ratio that the Reinsurer's loss payment bears to the Company's gross loss payment. If there is no loss payment, the Reinsurer shall pay its proportion of such expenses only in respect of business accepted on a Contributing Excess basis and then only in the percentage stated in item 4, Reinsurance Accepted of the Declarations in the first layer of participation.

7. **Definitions.** As used in this Certificate the following terms shall have the meaning set opposite each.
- a. **Excess of Loss** - The limit of liability of the Reinsurer, as stated in item 4, Reinsurance Accepted of the Declarations, applies only to that portion of loss settlements in excess of the applicable retention of the Company as stated in item 3, Company Retention of the Declarations.
 - b. **Contributing Excess** - The Company's policy applies in excess of other valid insurance, reinsurance, or a self-insured retention, and the limit of liability of the Reinsurer applies proportionally to all loss settlements in the percentage set forth in item 4, Reinsurance Accepted of the Declarations.
 - c. **Loss** - Loss shall mean the sum actually paid by the Company to the Company's policyholder in settlement of losses in accordance with the terms of the Company's policy(ies), and also within the terms of this Agreement, after deducting all amounts which are not reinsured under this Agreement, together with all recoveries, salvages and all claims upon other reinsurances, whether collected or not.
 - d. **Loss Expense** - Loss Expense means costs incurred by the Company in the investigation, adjustment and settlement of claims and court costs but shall not include office expenses and payments to any salaried employees of the Company or its affiliates.
 - e. **Non-Concurrent** - The reinsurance provided does not apply to any hazards or risks of loss or damage covered under the Company's policy other than those specifically set forth in the Declarations. The retention of the Company and liability of the Reinsurer shall be determined as though the Company's policy applied only to the hazards or risks of loss or damage specifically described in the Declarations.
8. **Taxes.** The Company shall be liable for taxes and assessments on premiums ceded to the Reinsurer under this Certificate.
9. **Inspection.** The Reinsurer or its authorized representative(s) shall have the right to inspect, at any reasonable time, all papers, books, accounts, documents, claim files and other records of the Company relating to business reinsured under this Certificate. The Reinsurer's right of inspection shall continue to exist after the termination of this Certificate.
10. **Recoveries.** The Company agrees to enforce its rights of recovery. The Reinsurer shall be paid or credited by the Company with its proportionate share of recoveries. Recoveries shall be calculated as reimbursement obtained or recovery made by the Company less the cost of obtaining such recovery (excluding office expenses and payment to salaried employees of the Company or its affiliates). If the reinsurance afforded by this Certificate is on an excess of loss basis, recoveries shall be applied in the inverse order in which liability attaches. The Reinsurer shall be subrogated to all of the rights of the Company to the extent of its loss payments to the Company.

11. **Insolvency.** In the event of the insolvency of the Company, the reinsurance provided by this Certificate shall be payable by the Reinsurer directly to the liquidator on the basis of the amount of claim allowed in the insolvency proceeding without diminution by reason of the inability of the Company to pay all or any part of the claim. The Reinsurer shall be given written notice of the pendency of each claim against the Company on the policy(ies) reinsured hereunder within a reasonable time after such claim is filed in the insolvency proceedings. The Reinsurer shall have the right to investigate each such claim and interpose, at its own expense, in the proceedings where such claim is to be adjudicated, any defenses which it may deem available to the Company or its liquidator, the expense thus incurred by the Reinsurer shall be chargeable, subject to court approval, against the insolvent Company as part of the expense of liquidation to the extent of the proportionate share of the benefit which may accrue to the Company solely as the result of the defense undertaken by the Reinsurer.
12. **Offset.** The Reinsurer may offset any and all balance(s), whether on account of premiums, losses or otherwise, due or to become due from one party to the other under this Certificate. If the Company is comprised of more than one entity, all such entities will be considered the Company for purposes of offset. In the event of the insolvency of either the Company or the Reinsurer, offset shall be permitted in accordance with the terms of this clause and as otherwise permitted by law.
13. **Changes.** The terms of this Certificate shall not be waived, amended or in any way modified unless such waiver, amendment, or modification is contained in a written endorsement to this Certificate, executed by a duly authorized representative of the Reinsurer.
14. **Intermediary.** The Intermediary named herein is hereby recognized as the Intermediary negotiating this Reinsurance for all business hereunder. All communications (including but not limited to notices, statements, premiums, return premiums, commissions and taxes) shall be transmitted to the Company or the Reinsurer(s) through the Intermediary. Payments by the Company to the Intermediary shall be deemed to constitute payment to the Reinsurer(s). Payments by the Reinsurer(s) to the Intermediary shall be deemed to constitute payment to the Company only to the extent that such payments are actually received by the Company.
15. **Cancellation.** Should the Company's policy(ies) be cancelled, this Certificate will terminate automatically at the same time and date. This Certificate may also be cancelled by the Company or by the Reinsurer upon not less than 90 days prior written notice by registered mail, one to the other, stating when thereafter the reinsurance afforded hereby shall terminate. In the event the Company fails to pay all or any portion of the premium due to the Reinsurer, the Reinsurer may cancel this Certificate upon ten days prior written notice to the Company stating that the Certificate is being cancelled for nonpayment. Proof of mailing shall be deemed proof of notice. The earned premium calculation shall follow the Company's earned premium calculation procedures and will be subject to the minimum premium of this Certificate except that the minimum premium is waived should the Reinsurer cancel for nonpayment of premium.
16. **Arbitration.** Any unresolved difference of opinion between the Reinsurer and the Company with respect to the interpretation of this Certificate or the performance of the obligations under this Certificate shall be submitted to arbitration. Each party shall select an arbitrator within one month after written request for arbitration has been received from the party seeking arbitration. These two arbitrators shall select a third arbitrator within ten days after both have been appointed. Should the arbitrators fail to agree on a third arbitrator, each arbitrator shall select one name from a list of three names submitted by the other arbitrator, and the third arbitrator shall be within one month selected by lot between the two names

chosen. If either party fails to choose an arbitrator within one month after receiving the request of the other party to do so, the latter shall choose both arbitrators, who shall choose the third arbitrator. The arbitrators shall be impartial and shall be present or former officials of other property or casualty insurance or reinsurance companies. The arbitrators shall adopt their own rules and procedures and shall render their decision with a view to effecting the intent of this Certificate. The decision of the majority of arbitrators shall be final and binding on the parties. The cost of arbitration, including the fees of the arbitrators, shall be shared equally unless the arbitrators decide otherwise.

17. **Legality.** Should any part, term or provision of this Agreement be determined by a court of law to be illegal or in conflict with the law of any jurisdiction, the validity of the remaining portions or provisions shall not be affected thereby.

The parties by their authorized representatives have signed this Certificate of Casualty Facultative Reinsurance to be effective as of the date set forth in the Declarations:

Reinsured


By: _____

Name: _____

Date: _____

Reinsurer

Upland Specialty Insurance Company

By:  _____

Name: James A. Damonte _____

Date: 4/29/2022 _____

CERTIFICATE CHANGE ENDORSEMENT

Endorsement No: 1

Company Reinsured: Authority for California Cities Excess Liability (ACCEL)

Certificate No: **USXPE0024621**

Reinsurer: Upland Specialty Insurance Company

Certificate Term: 07/01/2021 – 07/01/2022

Schedule of Participating Members

In accordance with the terms and conditions of the Certificate, it is understood and agreed that the Company Reinsured includes the following schedule of Participating Members/Named Insureds:

- City of Anaheim
- City of Bakersfield
- City of Burbank
- City of Modesto
- City of Monterey
- City of Mountain View
- City of Ontario
- City of Palo Alto
- City of Salinas
- City of Santa Barbara
- City of Santa Cruz
- City of Santa Monica
- City of Visalia

ALL OTHER TERMS AND CONDITIONS OF THIS CERTIFICATE REMAIN UNCHANGED.

CERTIFICATE CHANGE ENDORSEMENT

Endorsement No: 2

Company Reinsured: Authority for California Cities Excess Liability (ACCEL)

Certificate No: **USXPE0024621**

Reinsurer: Upland Specialty Insurance Company

Certificate Term: 07/01/2021 – 07/01/2022

In accordance with the terms and conditions of the Certificate, it is understood and agreed that the Certificate is amended to include the following exclusion:

Communicable Disease Exclusion

The reinsurance provided by this Certificate does not apply to and the Reinsurer will not be liable for:

all actual or alleged loss, liability, damage, compensation, injury, sickness, disease, death, medical payment, defense cost, cost, expense or any other amount, directly or indirectly and regardless of any other cause contributing concurrently or in any sequence, originating from, caused by, arising out of, contributed to by, resulting from, or otherwise in connection with a "Communicable Disease" or the fear or threat (whether actual or perceived) of a "Communicable Disease", except as specified below.

As used herein, a "**Communicable Disease**" means any disease which can be transmitted by means of any substance or agent from any organism to another organism where:

1. the substance or agent includes, but is not limited to, a virus, bacterium, parasite or other organism or any variation thereof, whether deemed living or not, and
2. the method of transmission, whether direct or indirect, includes but is not limited to, airborne transmission, bodily fluid transmission, transmission from or to any surface or object, solid, liquid or gas or between organisms, and
3. the disease, substance or agent can cause or threaten bodily injury, illness, emotional distress or damage to human health, human welfare or property damage.

This reinsurance shall not recognize reduction or exhaustion of the Company Retention by any claim for or suit for or payment of any amount excluded by this Endorsement.

ALL OTHER TERMS AND CONDITIONS OF THIS CERTIFICATE REMAIN UNCHANGED.

CERTIFICATE CHANGE ENDORSEMENT

Endorsement No: 3

Company Reinsured: Authority for California Cities Excess Liability (ACCEL)

Certificate No: **USXPE0024621**

Reinsurer: Upland Specialty Insurance Company

Certificate Term: 07/01/2021 – 07/01/2022

In accordance with the terms and conditions of the Certificate, it is understood and agreed that the Certificate is amended to include the following exclusion:

Cyber Exclusion

The reinsurance provided by this Certificate does not apply to and the Reinsurer will not be liable for:

all loss, damage, liability, cost or expense caused by or arising out of a "cyber act" or a "cyber incident".

"Cyber Act" as used herein means an unauthorized, malicious or criminal act or series of related unauthorized, malicious or criminal acts, regardless of time and place, or the threat or hoax thereof involving access to, processing of, use of or operation of any "computer system".

"Cyber incident" as used herein means:

- a. Any error or omission or series of related errors or omissions involving access to, processing of, use of or operation of any "computer system"; or
- b. Any partial or total unavailability or failure or series of related partial or total unavailability or failures to access, process, use or operate any computer system.

"Computer system" as used herein means any computer, hardware, software, communications system, electronic device (including, but not limited to, smart phone, laptop, tablet, wearable device), server, cloud or microcontroller including any similar system or any configuration of the aforementioned and including any associated input, output, data storage device, networking equipment or back up facility, owned or operated by the Company or its policyholder(s) or any other party.

This reinsurance shall not recognize reduction or exhaustion of the Company Retention by any claim for or suit for or payment of any amount excluded by this Endorsement.

ALL OTHER TERMS AND CONDITIONS OF THIS CERTIFICATE REMAIN UNCHANGED.

CERTIFICATE CHANGE ENDORSEMENT

Endorsement No: 4

Company Reinsured: Authority for California Cities Excess Liability (ACCEL)

Certificate No: **USXPE0024621**

Reinsurer: Upland Specialty Insurance Company

Certificate Term: 07/01/2021 – 07/01/2022

In accordance with the terms and conditions of the Certificate, it is understood and agreed that the Certificate is amended to include the following exclusion:

Access or Disclosure of Confidential or Personal Information and Data Related Liability Exclusion

The reinsurance provided by this Certificate does not apply to and the Reinsurer will not be liable for:

all loss, damage, liability, cost or expense caused by or arising out of any access to or disclosure of any person's or organization's confidential or personal information, including patents, trade secrets, processing methods, customer lists, financial information, credit card information, health information or any other type of nonpublic information; or

the loss of, loss of use of, damage to, corruption of, inability to access, or inability to manipulate "electronic data".

This exclusion applies even if damages are claimed for notification costs, credit monitoring expenses, forensic expenses, public relations expenses or any other loss, cost or expense incurred by the Company or its policyholder(s) or others arising out of that which is described above.

"Electronic data" as used herein means information, facts or programs stored as or on, created or used on, or transmitted to or from computer software, including systems and applications software, hard or floppy disks, CDROMS, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.

This reinsurance shall not recognize reduction or exhaustion of the Company Retention by any claim for or suit for or payment of any amount excluded by this Endorsement.

ALL OTHER TERMS AND CONDITIONS OF THIS CERTIFICATE REMAIN UNCHANGED.

CERTIFICATE CHANGE ENDORSEMENT

Endorsement No: 5

Company Reinsured: Authority for California Cities Excess Liability (ACCEL)

Certificate No: **USXPE0024621**

Reinsurer: Upland Specialty Insurance Company

Certificate Term: 07/01/2021 – 07/01/2022

In accordance with the terms and conditions of the Certificate, it is understood and agreed that the Certificate is amended to include the following condition:

Economic or Trade Sanctions 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 AND CONDITIONS OF THIS CERTIFICATE REMAIN UNCHANGED.

CERTIFICATE CHANGE ENDORSEMENT

Endorsement No: 6

Company Reinsured: Authority for California Cities Excess Liability (ACCEL)

Certificate No: **USXPE0024621**

Reinsurer: Upland Specialty Insurance Company

Certificate Term: 07/01/2021 – 07/01/2022

Claim Reporting Procedures

Notice of any occurrence, wrongful act, or accident likely to involve this reinsurance certificate is to be sent with all pertinent facts to:

Telephone: 972-532-0797

Electronic Mail: claims@uplandcapgroup.com

Facsimile: 1-888-892-1683

Internet: www.uplandcapgroup.com

Regular Mail: 5050 Quorum Drive, Suite 700- #473,
Dallas, TX 75254

ALL OTHER TERMS AND CONDITIONS OF THIS CERTIFICATE REMAIN UNCHANGED.

CERTIFICATE CHANGE ENDORSEMENT

Endorsement No: 7

Company Reinsured: Authority for California Cities Excess Liability (ACCEL)

Certificate No: **USXPE0024621**

Reinsurer: Upland Specialty Insurance Company

Certificate Term: 07/01/2021 – 07/01/2022

Notices

Any written notice required under this Certificate shall be transmitted by the Company to the following person, or other person the Reinsurer may designate:

James A. Damonte
Upland Capital Group
5050 Quorum Drive, Suite 700- #473,
Dallas, TX 75254

Phone: 972-532-0797

Email: jdamonte@uplandcapgroup.com

ALL OTHER TERMS AND CONDITIONS OF THIS CERTIFICATE REMAIN UNCHANGED.