



ACE Producer Compensation Practices & Policies

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



**CALIFORNIA SURPLUS LINES NOTIFICATION
NOTICE:**

- 1. THE INSURANCE POLICY THAT YOU HAVE PURCHASED IS BEING ISSUED BY AN INSURER THAT IS NOT LICENSED BY THE STATE OF CALIFORNIA. THESE COMPANIES ARE CALLED "NONADMITTED" OR "SURPLUS LINE" INSURERS.**
- 2. THE INSURER IS NOT SUBJECT TO THE FINANCIAL SOLVENCY REGULATION AND ENFORCEMENT THAT APPLY TO CALIFORNIA LICENSED INSURERS.**
- 3. THE INSURER DOES NOT PARTICIPATE IN ANY OF THE INSURANCE GUARANTEE FUNDS CREATED BY CALIFORNIA LAW. THEREFORE, THESE FUNDS WILL NOT PAY YOUR CLAIMS OR PROTECT YOUR ASSETS IF THE INSURER BECOMES INSOLVENT AND IS UNABLE TO MAKE PAYMENTS AS PROMISED.**
- 4. THE INSURER SHOULD BE LICENSED EITHER AS A FOREIGN INSURER IN ANOTHER STATE IN THE UNITED STATES OR AS A NON-UNITED STATES (ALIEN) INSURER. YOU SHOULD ASK QUESTIONS OF YOUR INSURANCE AGENT, BROKER, OR "SURPLUS LINE" BROKER OR CONTACT THE CALIFORNIA DEPARTMENT OF INSURANCE AT THE FOLLOWING TOLL-FREE TELEPHONE NUMBER: 1-800-927-4357. ASK WHETHER OR NOT THE INSURER IS LICENSED AS A FOREIGN OR NON-UNITED STATES (ALIEN) INSURER AND FOR ADDITIONAL INFORMATION ABOUT THE INSURER. YOU MAY ALSO CONTACT THE NAIC'S INTERNET WEB SITE AT WWW.NAIC.ORG.**
- 5. FOREIGN INSURERS SHOULD BE LICENSED BY A STATE IN THE UNITED STATES AND YOU MAY CONTACT THAT**

STATE'S DEPARTMENT OF INSURANCE TO OBTAIN MORE INFORMATION ABOUT THAT INSURER.

- 6. FOR NON-UNITED STATES (ALIEN) INSURERS, THE INSURER SHOULD BE LICENSED BY A COUNTRY OUTSIDE OF THE UNITED STATES AND SHOULD BE ON THE NAIC'S INTERNATIONAL INSURERS DEPARTMENT (IID) LISTING OF APPROVED NONADMITTED NON-UNITED STATES INSURERS. ASK YOUR AGENT, BROKER, OR "SURPLUS LINE" BROKER TO OBTAIN MORE INFORMATION ABOUT THAT INSURER.**
- 7. CALIFORNIA MAINTAINS A LIST OF ELIGIBLE SURPLUS LINE INSURERS. ASK YOUR AGENT OR BROKER IF THE INSURER IS ON THAT LIST, OR VIEW THAT LIST AT THE INTERNET WEB SITE OF THE CALIFORNIA DEPARTMENT OF INSURANCE: WWW.INSURANCE.CA.GOV.**
- 8. IF YOU, AS THE APPLICANT, REQUIRED THAT THE INSURANCE POLICY YOU HAVE PURCHASED BE BOUND IMMEDIATELY, EITHER BECAUSE EXISTING COVERAGE WAS GOING TO LAPSE WITHIN TWO BUSINESS DAYS OR BECAUSE YOU WERE REQUIRED TO HAVE COVERAGE WITHIN TWO BUSINESS DAYS, AND YOU DID NOT RECEIVE THIS DISCLOSURE FORM AND A REQUEST FOR YOUR SIGNATURE UNTIL AFTER COVERAGE BECAME EFFECTIVE, YOU HAVE THE RIGHT TO CANCEL THIS POLICY WITHIN FIVE DAYS OF RECEIVING THIS DISCLOSURE. IF YOU CANCEL COVERAGE, THE PREMIUM WILL BE PRORATED AND ANY BROKER'S FEE CHARGED FOR THIS INSURANCE WILL BE RETURNED TO YOU.**

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



ace group

Declarations ACE Catastrophe Liability Plussm Policy

Policy Number: G24102452004		Previous Policy Number: G24102452 003	
COVERAGE IS PROVIDED IN THE COMPANY DESIGNATED BELOW			
Westchester Surplus Lines Insurance Co			
NAMED INSURED AND ADDRESS Authority for California Cities Excess Liability (Cities of Anaheim and Santa Monica) c/o Alliant Insurance Services 100 Pine Street, Suite 1100 San Francisco, CA 94111		PRODUCER NAME AND ADDRESS AMWINS INSURANCE BROKERAGE OF CALIFORNIA LLC 19867 PRAIRIE STREET SUITE 250 CHATSWORTH, CA 91311 PRODUCER CODE 46893W	
Policy Period: From 07/01/2012		To 07/01/2013	
12:01 A.M Local Time at the Address of the Named Insured as stated herein			
Limits of Insurance			
\$ See XSC-27347 Each Occurrence		\$ See XSC-27347 Aggregate	
Premium			
\$52,500.00 Advance Premium	<input checked="" type="checkbox"/> Flat Except For Acquisitions		
-	<input type="checkbox"/>		
-	California Premium: \$52,500.00		
-	Filing Fee: N/A		
-	Fees: N/A		
-	Surplus Lines Tax: \$1,575.00		
-	Stamping Fee: \$131.25		
\$52,500.00 Total Amount Due			
\$52,500.00 Annual Premium			
Schedule of Underlying Insurance			
First Policy of Underlying Insurance			
Company: See Schedule A		Limits of Insurance	
Policy Period: See Schedule A		\$ See Schedule A Each Occurrence	
		\$ See Schedule A Aggregate, Where Applicable	
		\$ See Schedule A	

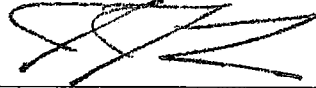
Forms attached to and forming a part of this policy at inception:

Policy Form: ACE Catastrophe Liability Plus Policy XSC-27266

Schedule of Underlying Insurance : XSW002 XSW004

Endorsements as Listed on the Schedule of Endorsements CPfs2

Authorization Information:

A handwritten signature in black ink, appearing to be 'SJR', is written over a rectangular box.

Forms Schedule

SYM: HXW Policy ID: G24102452004

Company: Westchester Surplus Lines Insurance Co

Policy Period When Coverage Begins: 07/01/2012 12:01 A.M. Standard Time At Named Insured's Address
When Coverage Ends: 07/01/2013 12:01 A.M. Standard Time At Named Insured's Address

Form Number	Form Title
XSW001 (07/10)	Declarations ACE Catastrophe Liability Plus Policy
LD-5S23i (12/11)	Signature Endorsement
XSC-27266 (05/09)	Ace Catastrophe Liability Plus Policy
ALL-21101 (11/06)	Trade Or Economic Sanctions Endorsement
SL-34255 (09/11)	Service of Suit Endorsement
TRIA15c (01/08)	Terrorism Disclosure Notice
XSC-27267 (05/09)	Absolute Pollution Exclusion
XSC-27321 (05/09)	Employee Practices Liability Exclusion Endorsement
XSC-27347 (05/09)	Limits Of Insurance Amendatory Endorsement
XSC-27390 (05/09)	Silica And Silica Related Dust Exclusion Endorsement
XSC-27399 (05/09)	Unimpaired Aggregate Provision
XSC-27523 (05/09)	Exclusion Of Certified Acts Of Terrorism
XSC-30422 (08/10)	Nuclear Exclusion
XSC-30426 (08/10)	Sub-Limited Coverage Exclusion
XSC-32991 (02/11)	Insuring Agreement Coverage Section Amendment
XSC-32992 (03/11)	Other Insurance Amendment
XSW002 (07/10)	Schedule A - Schedule of Underlying Insurance (Excess Liability)
XSW012 (05/11)	Defense Within Limit Endorsement
MS 2525 (06/11)	Designated Entity Limitation Endorsement



Named Insured Authority for California Cities Excess Liability (Cities of Anaheim and Santa Monica)			Endorsement Number
Policy Symbol HXW	Policy Number G24102452004	Policy Period 07/01/2012 to 07/01/2013	Effective Date of Endorsement 07/01/2012
Insured By (Name of Insurance Company) Westchester Surplus Lines Insurance Co			

SIGNATURE ENDORSEMENT

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

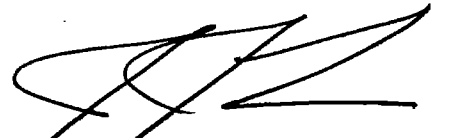
By signing and delivering the policy to you, we state that it is a valid contract when countersigned by our authorized representative.

ILLINOIS UNION INSURANCE COMPANY (A stock company)
525 W. Monroe Street, Suite 400, Chicago, Illinois 60661

WESTCHESTER SURPLUS LINES INSURANCE COMPANY (A stock company)
Royal Centre Two, 11575 Great Oaks Way, Suite 200, Alpharetta, GA 30022



CARMINE A. GIGANTI, Secretary



JOHN J. LUPICA, President

Authorized Representative



ace group

ACE Catastrophe Liability PlusSM Policy

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

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

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

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

SECTION I. INSURING AGREEMENTS

A. COVERAGE

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

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

B. LIMITS OF INSURANCE

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

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

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

C. DEFENSE PROVISIONS AND SUPPLEMENTAL PAYMENTS

1. DEFENSE PROVISIONS

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

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

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

2. SUPPLEMENTAL PAYMENTS

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

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

3. Subject to all of the foregoing:

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

SECTION II (EXCLUSIONS)

WHAT IS NOT COVERED BY THIS POLICY

This insurance does not apply:

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

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

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

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

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

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

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

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

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

SECTION III DEFINITIONS

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

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

SECTION IV CONDITIONS

A. APPEALS

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

B. ASSIGNMENT

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

C. BANKRUPTCY AND INSOLVENCY

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

D. CANCELLATION

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

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

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

E. CHANGES

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

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

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

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

G. INSPECTION AND AUDIT

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

H. LEGAL ACTION AGAINST US

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

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

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

I. MAINTENANCE OF UNDERLYING INSURANCE

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

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

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

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

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

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

J. OTHER INSURANCE

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

K. PREMIUM

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

L. YOUR REPRESENTATIONS

By accepting this policy, you agree that:

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

M. SEPARATION OF INSUREDS

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

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

N. SUBROGATION

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

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

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



Named Insured Authority for California Cities Excess Liability (Cities of Anaheim and Santa Monica)			Endorsement Number
Policy Symbol HXW	Policy Number G24102452004	Policy Period 07/01/2012 TO 07/01/2013	Effective Date of Endorsement 07/01/2012
Insured By (Name of Insurance Company) Westchester Surplus Lines Insurance Co			

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

TRADE OR ECONOMIC SANCTIONS ENDORSEMENT

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

Authorized Agent



Named Insured Authority for California Cities Excess Liability (Cities of Anaheim and Santa Monica)			Endorsement Number
Policy Symbol HXW	Policy Number G24102452004	Policy Period 07/01/2012 to 07/01/2013	Effective Date of Endorsement 07/01/2012
Issued By (Name of Insurance Company) Westchester Surplus Lines Insurance Co			

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.
SERVICE OF SUIT ENDORSEMENT

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

Saverio Rocca, Assistant General Counsel
ACE Group of Insurance Companies
436 Walnut Street
Philadelphia, PA 19106-3703

The person named above is authorized and directed to accept service of process on the company's behalf in any action, suit or proceeding instituted against the company. If the insured requests, the company will give the insured a written promise that a general appearance will be entered on the company's behalf if a suit is brought.

If the insured requests, the company will submit to the jurisdiction of any court of competent jurisdiction. The company will accept the final decision of that court or any Appellate Court in the event of an appeal. However, nothing in this endorsement constitutes a waiver of company's right to remove an action to a United States District Court, or to seek a transfer of a case to another court as permitted by the laws of the United States or of any state in the United States.

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

If the insured is a resident of Canada, the insured may also serve suit upon the company by serving the government official designated by the law of the insured's province.

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

Authorized Representative



Westchester Surplus Lines Insurance Company

Insurance Company

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

Policyholder

G24102452004

Policy Number

AMWINS INSURANCE BROKERAGE OF CALIFORNIA LLC

Broker/Producer

POLICYHOLDER DISCLOSURE NOTICE OF TERRORISM INSURANCE COVERAGE

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

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

YOU SHOULD ALSO KNOW THAT THE TERRORISM RISK INSURANCE ACT, AS AMENDED, CONTAINS A \$100 BILLION CAP THAT LIMITS U.S. GOVERNMENT REIMBURSEMENT AS WELL AS INSURERS' LIABILITY FOR LOSSES RESULTING FROM CERTIFIED ACTS OF TERRORISM WHEN THE AMOUNT OF SUCH LOSSES IN ANY ONE CALENDAR YEAR EXCEEDS \$100 BILLION. IF THE AGGREGATE INSURED LOSSES FOR ALL INSURERS EXCEED \$100 BILLION, COVERAGE MAY BE REDUCED.

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

Terrorism coverage described by the Act under your policy was made available to you for additional premium in the amount of \$6,825.00, however you elected to decline such coverage.



Named Insured Authority for California Cities Excess Liability (Cities of Anaheim and Santa Monica)			Endorsement Number
Policy Symbol HXW	Policy Number G24102452004	Policy Period 07/01/2012 to 07/01/2013	Effective Date of Endorsement 07/01/2012
Issued By (Name of Insurance Company) Westchester Surplus Lines Insurance Co			

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ABSOLUTE POLLUTION EXCLUSION

This endorsement modifies insurance provided under the following:

ACE CATASTROPHE LIABILITY PLUS POLICY

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

This insurance does not apply:

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

All other terms and conditions of this policy remain unchanged.

Authorized Representative



Named Insured Authority for California Cities Excess Liability (Cities of Anaheim and Santa Monica)			Endorsement Number
Policy Symbol HXW	Policy Number G24102452004	Policy Period 07/01/2012 To 07/01/2013	Effective Date of Endorsement 07/01/2012
Issued By (Name of Insurance Company) Westchester Surplus Lines Insurance Co			

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

This endorsement modifies insurance provided under the following:
ACE CATASTROPHE LIABILITY PLUS POLICY

The following exclusion is added to the policy:

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

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

This exclusion applies:

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

All other terms and conditions of this policy remain unchanged.

Authorized Representative



Named Insured Authority for California Cities Excess Liability (Cities of Anaheim and Santa Monica)			Endorsement Number
Policy Symbol HXW	Policy Number G24102452004	Policy Period 07/01/2012 to 07/01/2013	Effective Date of Endorsement 07/01/2012
Issued By (Name of Insurance Company) Westchester Surplus Lines Insurance Co			

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

LIMITS OF INSURANCE AMENDATORY ENDORSEMENT

This endorsement modifies insurance provided under the following:

ACE CATASTROPHE LIABILITY PLUS POLICY

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

\$ 25,000,000	Each Occurrence	\$ 25,000,000	Aggregate
	Part Of		
\$ 40,000,000	Each Occurrence	\$ 40,000,000	Aggregate

All other terms and conditions of this policy remain unchanged.

Authorized Representative



Named Insured Authority for California Cities Excess Liability (Cities of Anaheim and Santa Monica)			Endorsement Number
Policy Symbol HXW	Policy Number G24102452004	Policy Period 07/01/2012 to 07/01/2013	Effective Date of Endorsement 07/01/2012
Issued By (Name of Insurance Company) Westchester Surplus Lines Insurance Co			

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

This endorsement modifies insurance provided under the following:

ACE CATASTROPHE LIABILITY PLUS POLICY

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

This insurance does not apply to any:

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

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

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

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

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

All other terms and conditions of this policy remain unchanged.

Authorized Representative



Named Insured Authority for California Cities Excess Liability (Cities of Anaheim and Santa Monica)			Endorsement Number
Policy Symbol HXW	Policy Number G24102452004	Policy Period 07/01/2012 to 07/01/2013	Effective Date of Endorsement 07/01/2012
Issued By (Name of Insurance Company) Westchester Surplus Lines Insurance Co			

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

UNIMPAIRED AGGREGATE PROVISION

This endorsement modifies insurance provided under the following:

ACE CATASTROPHE LIABILITY PLUS POLICY

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

All other terms and conditions of this policy remain unchanged.

Authorized Representative



Named Insured Authority for California Cities Excess Liability (Cities of Anaheim and Santa Monica)			Endorsement Number
Policy Symbol HXW	Policy Number G24102452004	Policy Period 07/01/2012 to 07/01/2013	Effective Date of Endorsement 07/01/2012
Issued By (Name of Insurance Company) Westchester Surplus Lines Insurance Co			

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION OF CERTIFIED ACTS OF TERRORISM

This endorsement modifies insurance provided under the following:

ACE CATASTROPHE LIABILITY PLUS POLICY

The following exclusion is added to the policy:

This insurance does not apply:

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

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

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

All other terms and conditions of this policy remain unchanged.

Authorized Representative



Named Insured Authority for California Cities Excess Liability (Cities of Anaheim and Santa Monica)			Endorsement Number
Policy Symbol HXW	Policy Number G24102452004	Policy Period 07/01/2012 to 07/01/2013	Effective Date of Endorsement 07/01/2012
Issued By (Name of Insurance Company) Westchester Surplus Lines Insurance Co			

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

This endorsement modifies insurance provided under the following:
ACE CATASTROPHE LIABILITY PLUS POLICY

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

This insurance does not apply:

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

As used in the exclusion:

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

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

All other terms and conditions of this policy remain unchanged.

Authorized Representative



Named Insured Authority for California Cities Excess Liability (Cities of Anaheim and Santa Monica)			Endorsement Number
Policy Symbol HXW	Policy Number G24102452004	Policy Period 07/01/2012 to 07/01/2013	Effective Date of Endorsement 07/01/2012
Issued By (Name of Insurance Company) Westchester Surplus Lines Insurance Co			

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

SUB-LIMITED COVERAGE EXCLUSION

This endorsement modifies insurance provided under the following:

ACE CATASTROPHE LIABILITY PLUS POLICY

The following exclusion is added to the policy:

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

The following definition is added to the policy:

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

All other terms and conditions of this policy remain unchanged.

Authorized Representative



Named Insured Authority for California Cities Excess Liability (Cities of Anaheim and Santa Monica)			Endorsement Number
Policy Symbol HXW	Policy Number G24102452 004	Policy Period 07/01/2012 to 07/01/2013	Effective Date of Endorsement 07/01/2012
Issued By (Name of Insurance Company) Westchester Surplus Lines Insurance Co			

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

This endorsement modifies insurance provided under the following:

ACE CATASTROPHE LIABILITY PLUS POLICY

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

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

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

All other terms and conditions of this policy remain unchanged.

Authorized Representative



Named Insured Authority for California Cities Excess Liability (Cities of Anaheim and Santa Monica)			Endorsement Number
Policy Symbol HXW	Policy Number G24102452 004	Policy Period 07/01/2012 to 07/01/2013	Effective Date of Endorsement 07/01/2012
Issued By (Name of Insurance Company) Westchester Surplus Lines Insurance Co			

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

OTHER INSURANCE AMENDMENT

This endorsement modifies insurance provided under the following:

ACE CATASTROPHE LIABILITY PLUS POLICY

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

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

All other terms and conditions of this policy remain unchanged.

Authorized Representative

SCHEDULE A – SCHEDULE OF UNDERLYING INSURANCE
(Excess Liability)

Named Insured Authority for California Cities Excess Liability (Cities of Anaheim and Santa Monica)			Endorsement Number
Policy Symbol HXW	Policy Number G24102452 004	Policy Period 07/01/2012 To 07/01/2013	Effective Date of Endorsement 07/01/2012
Issued By (Name of Insurance Company) Westchester Surplus Lines Insurance Company			

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

THIS ENDORSEMENT MODIFIES INSURANCE PROVIDED UNDER THE FOLLOWING:

ACE CATASTROPHE LIABILITY PLUS POLICY

A. First Policy of Underlying Insurance:

\$ 25,000,000 Each Occurrence
 \$ 25,000,000 Aggregate (Where Applicable)
 As Provided By: Arch Insurance Company
 AXIS Surplus Lines Insurance Company
 Policy Period: 07/01/2012 To 07/01/2013
 Which Is Excess Of:

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

\$ 25,000,000 Each Occurrence
 \$ 25,000,000 Aggregate (Where Applicable)
 As Provided By: Arch Insurance Company
 AXIS Surplus Lines Insurance Company
 Policy Period: 07/01/2012 To 07/01/2013
 Which Is Excess Of:

C. Next Layer:

\$ 25,000,000 Each Occurrence
 \$ 25,000,000 Aggregate (Where Applicable)
 As Provided By: Lexington Insurance Company
 Policy Period: 07/01/2012 To 07/01/2013
 Which Is Excess Of:

D. Next Layer:

\$ 10,000,000 Each Occurrence

\$ 10,000,000 Aggregate (Where Applicable)

As Provided By: Endurance Risk Solution Assurance Company

Policy Period: 07/01/2012 To 07/01/2013

Which Is Excess Of:

E. Next Layer:

\$ 10,000,000 Per Occurrence

\$ 10,000,000 Completed Operations Hazard Aggregate

As Provided By: Starr Indemnity & Liability Company

Policy Period: 07/01/2012 To 07/01/2013

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



Named Insured Authority for California Cities Excess Liability (Cities of Anaheim and Santa Monica)			Endorsement Number
Policy Symbol HXW	Policy Number G24102452	Policy Period 07/01/2012 To 07/01/2013	Effective Date of Endorsement 07/01/2012
Issued By (Name of Insurance Company) Westchester Surplus Lines Insurance Co			

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

DEFENSE WITHIN LIMIT ENDORSEMENT

THIS ENDORSEMENT MODIFIES INSURANCE PROVIDED UNDER THE FOLLOWING:

ACE CATASTROPHE LIABILITY PLUS POLICY

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

3. Subject to all of the foregoing:

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

All other terms and conditions of this policy remain unchanged.

Named Insured Authority for California Cities Excess Liability (Cities of Anaheim and Santa Monica)			Endorsement Number
Policy Symbol HXW	Policy Number G24102452 004	Policy Period 07/01/2012 To 07/01/2013	Effective Date of Endorsement 07/01/2012
Issued By (Name of Insurance Company) Westchester Surplus Lines Insurance Company			

Designated Entity Limitation Endorsement

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the following:

ACE CATASTROPHE LIABILITY PLUS POLICY

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

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

All other terms and conditions of this policy remain unchanged.

Authorized Representative



Claims Directory

Umbrella/Excess Casualty/Environmental

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

Claim Office	Email and Fax	Location
ACE Westchester Claims	First Notices Email: WSGUMB-LTECLAIMS@ACEGROUP.COM First Notices Fax: 215.640.5055 or 1.877.518.3494 General Correspondence Fax: 1-866-635-5688	P.O. Box 5119 Scranton, PA 18505-0549

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

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

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

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

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

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

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