



AGENDA

LEGEND: A - Action may be taken
I - Information
1 - Included
2 - Handout
3 - Separate
4 - Verbal

JPA: ACCEL UNDERWRITING COMMITTEE MEETING

DATE/TIME: Thursday, September 11, 2025 at 2:00 PM

LOCATION: Teleconference

Link: <https://alliantinsurance.zoom.us/j/96395060431?pwd=31K4zjVwRdPISSjg9JAcKLXbsZiKWG.1>

Dial: 1 (669) 900 6833

Meeting ID: 963 9506 0431

Passcode: 229856

In accordance with the requirements of the Brown Act, notice of this meeting must be posted in publicly accessible places, 72 hours in advance of the meeting, at the office of ACCEL's Secretary.

Per Government Code section 54954.2, persons requesting disability-related modifications or accommodations, including auxiliary aids or services in order to participate in the meeting, are requested to contact Alliant Insurance Services at (415) 403-1400, 24 hours in advance of the meeting. Access to some buildings may require routine provision of identification to building security. However, ACCEL does not require any member of the public to register his or her name, or to provide other information, as a condition to attendance at any public meeting and will not inquire of building security concerning information so provided. See Government Code section 54953.3.

- MEMBER** • City of Anaheim, 201 South Anaheim Boulevard, Suite 503, Anaheim, CA 92805
LOCATIONS • City of Burbank, 275 E Olive Avenue, Burbank, CA 91510
VIA TELE - • City of Palo Alto, 250 Hamilton Avenue, Palo Alto, CA 94301
CONFERENCE • City of Santa Barbara, 735 Anacapa Street, Santa Barbara, CA 93101
• City of Santa Cruz, 1200 Pacific Avenue, Suite 290, Santa Cruz, CA 95060

PAGE

A. CALL TO ORDER

B. CONSENT CALENDAR (A)

- 2-4 1 1. Approval of Minutes for the May 14, 2025 Underwriting Committee Meeting
The Committee will review these minutes and will take action to approve or give direction.

C. REPORTS

1. UNDERWRITING COMMITTEE'S REPORT

- 5-9 1 a) Parametric Policy & Procedure Review Frequency (A)
Members will review and discuss the frequency at which the new Parametric P&P will be reviewed. Action can be taken or direction can otherwise be provided.
- 10-27 1 b) Review of ACCEL's MOC vs. Common Pollution Claims (A)
Members will review the ACCEL MOC as regards to pollution claims and may take action to recommend changes to the Board or give direction.
- 28-67 1 c) PRISM Medical Malpractice Program Discussion (A)
The Committee will receive an update from the Administrators on a potential entry into PRISM's Medical Malpractice program. Action may be taken or further direction may be given.

D. PUBLIC COMMENTS (I)

- 4 *The public is invited at this point to address the Committee on issues of interest to them.*

ADJOURNMENT



**MINUTES OF THE
ACCEL UNDERWRITING COMMITTEE
MEETING**

Wednesday, May 14, 2025 at 1:00 PM

**LOCATION:
Teleconference**

Link:

<https://alliantinsurance.zoom.us/j/97878481132?pwd=UNJXIRsN6WUv504DZaGZb1b5b8DTSk.1>

Dial: 1 (669) 444 9171

Meeting ID: 978 7848 1132

Passcode: 810200

MEMBERS PRESENT:

Tracey Matthews, City of Anaheim
Alvaro Valdez, City of Burbank (Joined 1:06)
Mark Howard, City of Santa Barbara
Ross Brandon, City of Santa Cruz

MEMBERS ABSENT:

Rhonda Combs, City of Salinas

GUESTS AND CONSULTANTS:

Conor Boughey, Alliant Insurance Services
Thomas Joyce, Alliant Insurance Services
Lorissa Huey, Alliant Insurance Services

A. CALL TO ORDER

Tracey Matthews called the meeting to order at 1:05 PM.

B. CONSENT CALENDAR

B1. Approval of Minutes for the March 17, 2025 Underwriting Committee Meeting

A motion was made to approve the Consent Calendar.



MOTION: Ross Brandon **SECOND:** Mark Howard **MOTION CARRIED**

	Tracey Matthews	Alvaro Valdez	Rhonda Combs	Mark Howard	Ross Brandon
Aye	X	X		X	X
Nay					
Abstain					

C. REPORTS

C1. UNDERWRITING COMMITTEE'S REPORT

C1a. Primary and Non-Contributory

Following the Underwriting Committee (UC)'s March 2025 Meeting instructions, the Program Administrators drafted two documents to explain ACCEL's coverage to both internal staff and external vendors that seek contracts with Member cities. These documents were reviewed by ACCEL's General Counsel, Byrne Conley prior to today's meeting. The UC discussed these two documents.

Direction was given to the Program Administrators not use the two documents, and draft a FAQ about certificates regarding self insurance, additional insured, and primary and non-contributory endorsements. This FAQ will be uploaded to the ACCEL Website. The Board will receive an update at the June Board Meeting.

C1b. Proposed ACCEL Policy & Procedure: Parametric Aggregate Erosion

The Committee reviewed the proposed Parametric Aggregate Erosion Policy and Procedure (P&P) as drafted by the Program Administrators. The purpose of this P&P is to outline the method for fund distribution in the event of aggregate limit exhaustion or other scenarios that require a sharing of limits between Members. The policy's coverage trigger is earth shaking as opposed to building damage, ACCEL would know the full amount of the claim recovery shortly after the event.

The Committee directed the Program Administrators to survey the Board for their appetite on different options regarding the potential withholding of funds per the P&P. The goal is to avoid the risk of full limit erosion and the need to recover already distributed funds from Members should multiple covered events occur in a single policy year. Members are to consult with their Finance Directors prior to the June 2025 Board Meeting.

D. PUBLIC COMMENTS

There were no public comments.



ADJOURNMENT

The Meeting was adjourned at 1:56 PM.

DRAFT



Item No. C.1.a
Underwriting Committee
September 11, 2025

PARAMETRIC POLICY & PROCEDURE REVIEW FREQUENCY

ISSUE: ACCEL has bound a parametric earthquake insurance policy effective 7/1/25 and to accompany this insurance policy the Board created a Parametric Aggregate Erosion Policy & Procedure (P&P). This P&P is governed by the Underwriting Committee (UC). As with other P&P’s, the Committee must determine how often to review.

Below is the UC’s current review schedule:

ACCEL Committees:	Reviewed Date	Amended Date	Frequency
Underwriting Committee			
Policies and Procedures			
Applicant Fee Structure	1/7/2025	1/17/2025	5 years
New Exposure Questionnaire	1/7/2025	10/17/2019	Every year with Underwriting Standards
Parametric Aggregate Erosion			Adopted 6/12/2025 and TBD Frequency
Underwriting Standards	1/7/2025	10/17/2019	Every year with New Exposure Questionnaire
MOC	10/16/24 (SP Overview)	3/4/2024 (4x1)	Every year with Underwriting Standards & New Exposure Questionnaire

RECOMMENDATION: It is recommended that the Committee take action to adopt a regular review schedule of this P&P.

Additional Considerations

In favor: The Committee may want a frequent review (1-2 years) or an infrequent review (5 years) to align with the other P&Ps that falls under the Committee’s purview.

Against: The Committee may want to propose an alternative method for review.

FISCAL IMPACT: No financial impact is expected from the recommended action.

ACCEL

Authority for California Cities Excess Liability

c/o Alliant Insurance Services, Inc.
Corporation Insurance License No. 0C36861
560 Mission Street, 6th Floor, San Francisco, CA 94105



BACKGROUND: ACCEL has discussed a group parametric earthquake policy throughout the 24-25 program year and at the June 2025 BOD bound a policy effective 7/1/25. When introducing a shared limits group purchase policy, there are considerations regarding limits sharing.

The purpose of this policy and procedure is to outline the method for fund distribution in the event of aggregate limit exhaustion or other scenarios that require a sharing of limits between members. Because this policy's coverage trigger is earth shaking as opposed to building damage, ACCEL would know the full amount of the claim recovery shortly after the event.

The parametric policy includes certain maximum amounts that the insurer is liable to pay in the event of a loss. These are known as "Loss Limits" these limits are shared by all Members of ACCEL that participate in this parametric placement. For example, limits could be exhausted in the following situations:

- More than one agency is involved in the same loss event resulting in total payable claims in excess of the aggregate
- A series of unassociated loss events during the policy term involve more than one Member resulting in total payable claims in excess of the aggregate.

The Loss Limit Sharing Formula (LLSF) that shall govern recoveries by Member Agencies from the parametric insurance carrier in any case where the total payable claims of affected Member agencies exceed either a per occurrence loss limit or an annual aggregate loss limit specified in the policy such that, in either case, the insurance coverage available is insufficient to pay all payable claims of affected Member Agencies.

In the event ACCEL members exhaust the Loss Limit available, the following proposed Loss Limit Sharing Formula (LLSF) will be applied to each Member's recovery:

$$\frac{\text{Policy Loss Limit}}{\text{Total Amount Owed to All Members}} \times \text{Member Loss Limit} = \text{Member Payable}$$

ACCEL

Authority for California Cities Excess Liability

c/o Alliant Insurance Services, Inc.
 Corporation Insurance License No. 0C36861
 560 Mission Street, 6th Floor, San Francisco, CA 94105



Example Scenario:

Policy Loss Limit: \$30,000,000
 Member Limit: \$10,000,000

Triggered Losses: Member 1: \$10,000,000
 Member 2: \$10,000,000

Member 3: \$10,000,000
 Member 4: \$10,000,000
 Member 5: \$10,000,000

TOTAL: \$50,000,000

LLSF Result: $\frac{\$30,000,000}{\$50,000,000} \times \$10,000,000 = \$6,000,000$

The Board approved the Parametric P&P effective 7/1/25 at the June 2025 Board Meeting. Below is a summary of Member participation including the chosen option.

Member	Light or Base
1. Anaheim	Base
2. Bakersfield	Base
3. Burbank	Base
4. Modesto	N/A
5. Monterey	Light
6. Mountain View	Light
7. Ontario	Base
8. Palo Alto	N/A
9. Salinas	Light
10. Santa Barbara	Base
11. Santa Cruz	Base
12. Santa Monica	Base
13. Visalia	Base

ATTACHMENT: Policy & Procedure – Parametric Earthquake Aggregate Limit Erosion

ADMINISTRATIVE POLICY AND PROCEDURE

SUBJECT: PARAMETRIC AGGREGATE EROSION

DATE: June 12, 2025

AMENDED DATE:

REVIEWED DATE:

STATEMENT

ACCEL purchases insurance policies on behalf of Members, some insurance coverages include aggregate limits which may be eroded by Member claims. ACCEL bound a parametric earthquake policy with shared aggregate limits. The purpose of this policy and procedure is to outline the method for fund distribution in the event of aggregate limit exhaustion or other scenarios that require a sharing of limits between members. Because this policy's coverage trigger is earth shaking as opposed to building damage, ACCEL would know the full amount of the claim recovery shortly after the event.

The parametric policy includes certain maximum amounts that the insurer is liable to pay in the event of a loss. These are known as "Loss Limits" these limits are shared by all Members of ACCEL that participate in this parametric placement. For example, limits could be exhausted in the following situations:

- More than one agency is involved in the same loss event resulting in total payable claims in excess of the aggregate
- A series of unassociated loss events during the policy term involve more than one Member resulting in total payable claims in excess of the aggregate.

PROCEDURE

The following Loss Limit Sharing Formula (LLSF) shall govern recoveries by Member Agencies from the parametric insurance carrier in any case where the total payable claims of affected Member agencies exceed either a per occurrence loss limit or an annual aggregate loss limit specified in the policy such that, in either case, the insurance coverage available is insufficient to pay claims of affected Member Agencies.

In the event ACCEL members exhaust the Loss Limit available, the following Loss Limit Sharing Formula (LLSF) will be applied to each Member’s recovery:

$$\frac{\text{Policy Loss Limit}}{\text{Total Amount Owed to All Members}} \times \text{Member Loss Limit} = \text{Member Payable}$$

Example Scenario:

Policy Loss Limit: \$30,000,000

Member Limit: \$10,000,000

Triggered Losses: Member 1: \$10,000,000

Member 2: \$10,000,000

Member 3: \$10,000,000

Member 4: \$10,000,000

Member 5: \$10,000,000

TOTAL: \$50,000,000

LLSF Result: $\frac{\$30,000,000}{\$50,000,000} \times \$10,000,000 = \$6,000,000$

In the event that limits must be shared by different members under the parametric earthquake policy, each member’s recovery will be reduced by an equal share. For example, if the total limit available for an event is \$10M, and two members individually are entitled to \$7M and \$5M (12M total), their recovery would be reduced to \$5,833,333 and \$4,166,667 respectively by following the LLSF.

In any event where a single Member is to be paid an excess of \$5,000,000 from the policy limits, ACCEL will hold the amount excess of \$5,000,000 in short term funding and will pay the remainder of funds owed to that Member within 30 days of the end of the policy year, in addition to any interest accrued on this amount. The reason for such withholding is to account for the possibility of multiple covered events occurring in a single policy year affecting multiple Members and completely eroding the policy aggregate limits. Applying a \$5,000,000 cap on immediate payouts greatly diminishes the possibility of overpayment to Members

Members can appeal to the Board to request earlier payments of withheld funds in writing. The written request must be received by the Program Administrators at least one week prior to the Board Meeting. The Board will vote and may approve the request.



Item No. C.1.b
Underwriting Committee
September 11, 2025

REVIEW OF ACCEL'S MOC VS. COMMON POLLUTION CLAIMS

ISSUE: This topic was initially brought up under the Claims Committee. Members expressed a desire to better understand the exposure of third party sewage backup and what coverage could be found under ACCEL's MOC. ACCEL's MOC is meant to provide coverage for General Liability, Auto Liability, Public Officials E&O, Employment Practices Liability, exposures and has a pollution exclusion noted below:

- H. To liability arising out of the actual, alleged or threatened discharge, dispersal, release or escape of **pollutants**:
- (1) At or from premises owned, leased or occupied by the **Member Agency**, except for public streets and roads when the discharge, dispersal, release or escape was not participated in by a **covered party**;
 - (2) At or from any site or location used by or for the **covered party** for the handling, storage, disposal, processing or treatment of **pollutants** or waste;
 - (3) Which are at any time transported, handled, stored, treated, disposed of or processed as **pollutants** or waste by or for the **Member Agency** or any person or organization for whom the **Member Agency** may be legally liable;
 - (4) At or from any site or location on which the **Member Agency** or any contractors or subcontractors working directly on the **Member Agency's** behalf are performing operations:
 - (a) If the **pollutants** are brought on or to the site or location in connection with such operations; or
 - (b) If the operations are to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize the **pollutants**.
- I. To liability arising out of any governmental direction or request that **pollutants** be tested for, monitored, cleaned up, removed, contained, treated, detoxified or neutralized.

The definition of "pollutants" in the MOC is below:



Pollutants means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed. The term **pollutant** as used herein is not defined to mean potable water or agricultural water or water furnished to commercial users or water used for fire suppression, and it is not defined to mean smoke from a hostile fire.

The Program Administrators has reached out to Byrne Conley's, ACCEL's General and Coverage Counsel who has provided a memo as shown in the attachment.

Also, Ben Oram, ACCEL's Ligation Manager has provided some claims background as show in the background section.

RECOMMENDATION: It is recommended that the Committee discuss and take action to recommend the Board amend the language or leave the exclusion as is, or provide further direction.

Additional Considerations

In favor: The Committee may want to consider making a recommendation to the Board to amend the MOC to further clarify if sewer backup and sewage treatment is covered or excluded. These changes may be retroactive to July 1, 2025 or effective at the July 1, 2026 renewal.

Against: Members may be against proposing changes if they are in favor of the current language.

FISCAL IMPACT: No financial impact is expected from the recommended action.

BACKGROUND: Pollution claims are common areas of loss for California cities and all ACCEL Members share in this exposure. As an excess liability pool, ACCEL has historically excluded pollution loss on its MOC and encouraged Members to find alternative coverage individually.

Ben Oram, ACCEL's Litigation Manager has provided the following information:

This issue was raised that issue with the Claims Committee in March 2025 because A Member case (Claim #1) is currently being handled a little differently than another Member's sewage case (Claim #2). In Claim #2, ACCEL provided an ROR, but in Claim #1, we provided a Partial Disclaimer. Rob Powers noted the difference, but he did not know that ACCEL decided to change the process in late 2021. Our past practice was to send RORs. Our current practice is to send a partial disclaimer for both inverse condemnation and pollution. We have not had to decide coverage in the face of a demand from a member. I expect that our current decision would be to deny the member coverage based on Exclusion H.

Claim #1: Homeowners claimed a tree root ball in the sewer main line caused a backup of raw sewage into their residence which then caused serious damage to the home and emotional distress to the family.



Investigation indicates that a tree root ball actually originated near neighbor's sewer lateral line. Heimlich property lacked a backflow prevention device. Claimant alleges damage to real property of \$452K, personal property \$91K, loss of income \$40K, hotel and incidental monetary costs of \$48K, plus emotional distress. Plaintiff are pushing for settlement over \$1M. Causes of action include inverse condemnation arising out maintenance of the sewer main line. The claim is open and being monitored. We sent a partial disclaimer.

Claim #2: Homeowners and law firm owners claimed sewage backed up into their homes on five occasions over 2 years. Case was settled for \$700K. Backflow incident occurred during extreme weather, allegedly because the diameter of the pipe installed decades ago was not sufficient to handle increased users during extreme weather events. No backflow prevention device was installed. This was a residential home but the plaintiffs operated a law firm out of the back portion of the house.

Case law supports the characterization of sewage as a pollutant. Cases answering this question for insurance companies with the same definition refer to several sources for support.

“The Clean Water Act defines **pollutants** as “dredged spoil, solid waste, incinerator residue, **sewage**, garbage, **sewage** sludge, munitions, chemical wastes, biological materials, radioactive materials, heat, wrecked or discarded equipment, rock, sand, cellar dirt and industrial, municipal, and agricultural waste discharged into water.” (33 U.S.C.A. § 1362(6).)”
[Ortega Rock Quarry v. Golden Eagle Ins. Corp., 141 Cal. App. 4th 969, 980-81, 46 Cal. Rptr. 3d 517, 526 \(2006\)](#)

The ACCEL MOC Exclusion H in the 22/23 MOC applicable to Claim #2 contains the same language as Exclusion I from the 16/17 MOC used in Loche. Sewage backups represent a large number of claims across most entities George Hills works with. Aging infrastructure, severe weather, increased user connections, all tax the systems currently installed.

A Member had a sewage claim demanding \$626K (Claim #3) which caused me to look at the language closer because the claim did not allege Inverse Condemnation, it just stated facts:

Exclusion H may turn on definitions of specific words:

H. To liability arising out of the actual, alleged or threatened discharge, dispersal, release or escape of **pollutants**:

- (1) – “At or from any **premises** owned, leased, or occupied...” The spill was at a residential home so unless “premises” includes the sewer main, then this exclusion may not apply.
- (2) – “At or from any **site or location**...” Again, I am not sure if the sewer main can be called a “site” or “location” used for “...handling, disposal, processing or treatment...” If not, the exclusion would not apply.
- (3) – “Which are at any time **transported**, handled, stored, treated, disposed of or processed as pollutants...” If the sewer main is defined as a means of transportation or handling, exclusion could apply, but its not really clear to me. I think this is the best argument supporting exclusion.
- (4) – “At or from any **site or locations**...are performing operations.” Same as above.

ATTACHMENT: (1) Byrne Conley Memo re Pollution Exclusion
 (2) Comparison of Different JPA Exclusions

GIBBONS & CONLEY

MEMORANDUM -- CONFIDENTIAL

To: Conor Boughey, Thomas Joyce
ACCEL

Date: September 2, 2025

From: A. Byrne Conley

Re: *ACCEL pollution exclusion*

This memo concerns common pollution claims.

POLLUTION EXCLUSION

The ACCEL pollution exclusion provides that there is no coverage for:

*H. To liability arising out of the actual, alleged or threatened discharge, dispersal, release or escape of **pollutants**:*

- (1) At or from premises owned, leased or occupied by the **Member Agency**, except for public streets and roads when the discharge, dispersal, release or escape was not participated in by a **covered party**;*
- (2) At or from any site or location used by or for the **covered party** for the handling, storage, disposal, processing or treatment of **pollutants** or waste;*
- (3) Which are at any time transported, handled, stored, treated, disposed of or processed as **pollutants** or waste by or for the **Member Agency** or any person or organization for whom the **Member Agency** may be legally liable;*
- (4) At or from any site or location on which the **Member Agency** or any contractors or subcontractors working directly on the **Member Agency's** behalf are performing operations:
 - (a) If the **pollutants** are brought on or to the site or location in connection with such operations; or*
 - (b) If the operations are to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize the **pollutants**.**

*I. To liability arising out of any governmental direction or request that **pollutants** be tested for, monitored, cleaned up, removed, contained, treated, detoxified or neutralized.*

This is standard ISO language, as is the definition of “pollutants” though our definition adds some language excepting certain items.

Re: *ACCEL pollution exclusion*
September 2, 2025

***Pollutants** means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed. The term **pollutant** as used herein is not defined to mean potable water or agricultural water or water furnished to commercial users or water used for fire suppression, and it is not defined to mean smoke from a hostile fire.*

There is a separate exclusion (“Q”) in the ANML excess form as well. That exclusion has a number of exceptions we should consider adding such as police use of pepper spray, weed abatement and spraying, etc. These involve incidents that would not commonly be thought of as environmental pollution. Even without express exceptions, the insurance case law indicates that pollution exclusions are to be applied only to irritants or contaminants commonly thought of as pollutants. *MacKinnon v. Truck Ins. Exchange* (2003) 31 Cal.4th 635 stands for the proposition that pesticide spraying is not commonly thought of as “discharge” or “dispersal” because its “normal application” is by spraying.

There is no case law that I find on human waste, but there are a number of insurance cases indicating the pollution definition has a broad, commonsense element to it. “Pollutants” per the insurance case law has been broadly defined and includes things such as silica dust (*Garamendi v. Golden Eagle Ins. Co.* (2005) 126 Cal.App.4th 480, 485), fill dirt and rocks (*Ortega Rock Quarry v. Golden Eagle Ins. Co.* (2006) 141 Cal.App.4th 969), and composting materials including yard trimmings and dust (*Cold Creek Compost, Inc. v. State Farm Fire & Casualty Co.* (2007) 156 Cal.App.4th 1469, 1480-1486 [the item need not be “toxic or particularly harmful” to be a “pollutant”]).

The ANML form also has a “time element” exception for sudden and accidental pollution events, but I am not sure it would apply to sewer backups since the time element exception also provides that it does not apply to “Any site or location principally used by the **Covered Party** or by others on the **Covered Party’s** behalf, for the handling, storage, disposal, dumping, processing or treatment of waste material.” I am not sure whether the carrier would apply that language to sewer mains.

I do think it would be a good idea to address directly whether sewer backups are excepted from the pollution exclusion.

Re: ACCEL pollution exclusion
September 2, 2025

INVERSE CONDEMNATION

Additionally, the ACCEL MOC has an inverse condemnation exclusion:

*M. To claims for loss or **damage** including consequential loss or any liability of any and all **covered parties** arising out of or in any way connected with the application of the principles of eminent domain, condemnation proceeding, retroactive condemnation, inverse condemnation or reverse condemnation, by whatever name called, regardless of whether such claims are made directly against the **covered party** or by virtue of any agreement entered into by or on behalf of the **covered party**.*

*This exclusion does not apply, however, to **Property Damage** for which the **covered party** may be legally responsible, and for which recovery is sought by claimant or plaintiff pursuant to a claim for inverse condemnation, by whatever name called; provided, however, that in any case in which a claim of inverse condemnation is made against the **covered party**, coverage shall exist for **Property Damage** only, and there shall be no coverage for reduced value of property (diminution of value), plaintiff's attorney fees and expert fees, severance **damages**, relocation costs, or any other form of relief, however denominated.*

The inverse condemnation exclusion, however, is common. When a plaintiff brings a sewer backup claim asserting nuisance, dangerous condition and inverse condemnation in the complaint, damages that overlap the inverse condemnation cause of action and the tort cause of action are considered covered, but not the sums recoverable only under the inverse cause of action. This is consistent with insurance case law (though we are not an insurer). Other pools such as PRISM and CJPRMA have language similar to ACCEL's language, overlapping damages are not covered, but not damages or attorney fees or expert costs recoverable solely under inverse.

In *City of Laguna Beach v. Mead Reinsurance Corp.* (1990) 226 Cal.App.3d 822, the Court of Appeal applied an inverse condemnation exclusion in a commercial insurance policy to deny coverage to the City. In that flooding/landslide case, plaintiffs' counsel made a tactical decision to voluntarily dismiss all of the various causes of action except for the one for inverse condemnation. The jury returned a total verdict in the sum of \$771,000, and the City appealed. While the appeal was pending, plaintiffs and the City stipulated to set aside the judgment and settle the case for an equivalent amount. The Court of Appeal found no coverage. The Court of Appeal was persuaded by the fact that inverse condemnation was the only basis upon which liability was imposed against the City. At p.831.

Re: *ACCEL pollution exclusion*
September 2, 2025

In *Stonewall Ins. Co. v. City of Palos Verdes Estates* (1996) 46 Cal.App.4th 1810, plaintiff homeowner sued for negligence, nuisance, and inverse condemnation arising from the City's alleged negligent maintenance of a storm drain, which eventually caused total destruction of the homeowner's property. The jury verdict was approximately \$1.1 million on the negligence and nuisance claims, but approximately \$1.8 million on the inverse condemnation claim, the difference was largely attributable to pre-judgment interest and attorney fees and other costs allowable on the inverse condemnation claim. The court found partial coverage:

Inverse condemnation is sometimes the sole basis of a cause of action, as were liability is imposed without fault because it caused by the use of public improvements deliberately planned and built. (Citation.) In other cases inverse condemnation is an alternative to other theories of recovery. (Citation.) In the latter instance, the inverse condemnation theory is significant only as it relates to the remedy – to the measure of damages. To the extent of the measure of damages for negligence and nuisance the City incurred a legal obligation to compensate [plaintiff] irrespective of inverse condemnation, and this form of legal obligation is covered by the relevant insurance policies and is not subject to the inverse condemnation exclusions. (At p.1842.)

The Court of Appeal went on to hold that the settlement had to be allocated. (The settlement was for \$1.6 million, compared with damages of \$1,188,791 on the negligence and nuisance claims, and \$1,881,946 on the inverse condemnation claim.) The Court of Appeal remanded the matter to the trial court, to take evidence and determine what part of the settlement could be allocated to the tort causes of action, and if it was impossible to make such an allocation, the trial court was ordered to pro-rate the settlement based on the ratio between the nuisance verdict and the inverse condemnation verdict. (At p.1842.)

Note that under the insurance case law, an inverse condemnation exclusion does not exclude coverage for tort liability, or damages that overlap between tort and inverse theories. Damages that overlap both theories would be covered; damages available only under inverse condemnation (attorney fees, expert costs) would not be covered.

ASBESTOS CLAIMS

The insurance case law applies a very broad “trigger of coverage” for asbestos exposure bodily injury claims. Essentially it is a “continuous trigger” from exposure through the time a complaint is filed. For this reason, on asbestos personal injury claims, it is important to look back to all of the years of potential coverage. The lead case is *Armstrong World Industries Inc. v. Aetna Casualty & Surety Co.* (1996) 45 Cal.App.4th 1.

A recurring problem in interpreting standard CGL policies that provide coverage for injuries “caused by an occurrence” is determining what has come to be called the “trigger of coverage”—that is, the operative event which activates the insurer's

Re: *ACCEL pollution exclusion*
September 2, 2025

defense and indemnity obligations. As the Supreme Court recently explained, the word “trigger” is not found in the CGL policies themselves, nor does the Insurance Code define “trigger of coverage.” Instead, “trigger of coverage” is a term of convenience used to describe what must happen in the policy period to give rise to insurance coverage. (*Montrose Chemical Corp. v. Admiral Ins. Co.*, *supra*, 10 Cal.4th 645, 655, fn. 2.)

Case law has long established that the operative event triggering coverage is the injury. Because occurrence policies (as distinguished from claims-made policies) cover occurrences that result in injury “during the policy period,” the courts in California and elsewhere have concluded that the policies are invoked, or “triggered,” when the injury takes place. **[Citations omitted.]**

In *Montrose Chemical Corp. v. Admiral Ins. Co.*, *supra*, 10 Cal.4th 645, 669-670, the Supreme Court reaffirmed this rule and applied it for the first time to a case of continuous or progressively deteriorating injury. The court held that when the bodily injury or property damage continues throughout successive policy periods, all of the insured's policies in effect during those periods are triggered. (*Id.* at pp. 685-689.) Coverage is not limited to the policy in effect at the time of the precipitating event or conditions. (*Id.* at pp. 669, 686.) Nor is coverage cut off once the injury or damage begins or becomes manifest. (See 10 Cal.4th at p. 677, fn. 17; *id.*, at pp. 680, 686.)

Armstrong World Industries, Inc. v. Aetna Casualty & Surety Co. (1996) 45 Cal.App.4th 1, 39–40.

Armstrong at pp. 37-38 specifically describes mesothelioma as a cancerous condition caused by scarring occurring over time as a “pathological process” because of the initial inhalation of fibers.

The definition of “pollutants” includes any irritant or contaminant, including “carcinogenic” materials, which would include asbestos. (*The Villa Los Alamos Homeowners Assn. v. State Farm General Ins. Co* (2011) 198 Cal.App.4th 522, 536 [first party property damage coverage, but court notes that definitions are the same for both property and liability forms, cites liability cases].)

The case law indicates that insurers with “sudden and accidental” language have a defense duty unless there is no potential for a sudden and accidental onset of pollution, even if the pollutants end up migrating over time. This is per *Vann v. Travelers* (1995) 39 Cal.App.4th 1610, which was followed by another case, *A-H Plating, Inc. v. American National Fire Ins. Co.* (1997) 57 Cal.App.4th 427 that said the same. “‘Sudden’ refers to the pollution’s commencement and does not require that the polluting event terminate quickly or have only a brief duration.” *Vann*, at 1618.

Re: *ACCEL pollution exclusion*
September 2, 2025

I mention this because, if a Member gets an asbestos bodily injury claim, it becomes important to look to all historical MOCs, since many in the 1980s had broader “sudden and accidental” exclusion exceptions, without “time element” limitations or limitations related to transporting or processing of waste. These broader “sudden and accidental” exceptions were common before the 1986 adoption by ISO of an “absolute” pollution exclusion. Further, many policies from that period forward added specific asbestos exclusions.

Note that the ANML form, unlike the ACCEL MOC, does have a specific asbestos exclusion:

B. ASBESTOS

*To any liability for past, present, or future claims or **suits** arising in whole or in part, either directly or indirectly, out of the mining, manufacture, distribution, sale, resale, rebranding, installation, repair, removal, encapsulation, abatement, replacement or handling of, or exposure to, asbestos or products containing asbestos, whether the asbestos is or was at any time airborne as a fiber or particle, contained in a product, carried on clothing, inhaled, transmitted in any fashion, or found in any form whatsoever.*

Your last question concerned an overflow from a wastewater treatment plant onto private property. Such a claim would likely be excluded under the current ACCEL MOC, since it involves a discharge from a facility used to treat waste, which is one of the items excepted from the “time element” exception in the pollution exclusion. I have had cases where such claims were covered, in cases where the pool had broader “sudden and accidental” language without the exception for processing waste, or in the case of the CSRMA sanitation district pool, where waste treatment was entirely excepted from the pollution exclusion. So it is an exposure that could be covered, but in my view probably is not covered under the current ACCEL MOC language.

POLLUTION AND INVERSE EXCLUSIONS COMPARED
PRISM 2024-2025 POLLUTION EXCLUSION

O. To liability arising out of the **contamination** of the **environment** by **pollutants** introduced at any time into or upon the **environment**. This exclusion applies whether the **contamination** is introduced into the **environment** intentionally, accidentally, gradually or suddenly, and whether the **covered party** or any other person or organization is responsible for the **contamination**.

Unless caused by any of the **covered party's** property that has been discarded, dumped, abandoned, or thrown away, this exclusion shall not apply with respect to:

1. Violent breaking open or explosion of any plant, equipment or building for which the **covered party** has legal responsibility, either as owner or operator;
2. Fire, lightning or windstorm damage to any plant, equipment or building for which the **covered party** has legal responsibility, either as owner or operator;
3. Collision, overturning or upset of any vehicle, railroad vehicle or mobile equipment; or
4. Unintended fire, lightning or explosion not otherwise specified under 1, 2, or 3 above.

It is further agreed that this exclusion does not apply to the actual, alleged or threatened discharge, dispersal, release or escape of **pollutants** if:

- a.) It was accidental and was neither expected nor intended by the **covered party**; and
- b.) It was instantaneous and was demonstrable as having commenced at a specific time and date during the term of this Memorandum; and
- c.) Its commencement became known to the Member within ten days; and
- d.) Its commencement was reported in writing to PRISM within thirty-one days of becoming known to the Member; and
- e.) Reasonable effort was expended by the Member to terminate the situation as soon as conditions permitted.

Notwithstanding the foregoing this Memorandum shall not apply to any claim or **suit** relating to: any liability to test for, monitor, clean-up, remove, contain, treat, detoxify, or neutralize **pollutants**, whether or not any of the foregoing are, or should be, performed by the **covered party** or by others;

P. To injunctions, equitable relief, writs of mandate or any other form of relief other than the payment of **damages**.

However, this exclusion shall not apply to writs of mandate where **damages** are recoverable. Where this exception to the exclusion applies, coverage is afforded solely for those causes of action under which **damages** are recoverable.

“**Pollutants**” include smoke, vapors, soot, fumes, acids, alkalis, chemicals, liquids or gases, thermal **pollutants** and all other irritants or contaminants.

PRISM INVERSE CONDEMNATION EXCLUSION

G. To liability, directly or indirectly, arising out of or in connection with the principles of eminent domain, condemnation proceedings or inverse condemnation, by whatever name called, whether grounded in federal or state law, regardless of whether such claims are made directly against the **covered party** or by virtue of any agreement entered into by or on behalf of the **covered party**.

This exclusion does not apply to any aspect of inverse condemnation liability directly arising out of physical injury to, or destruction of, tangible property neither expected nor intended from the standpoint of the **covered party**; provided; however, this exception does not apply to any nonphysical consequential **damages** or to expert or attorney fees claimed by or awarded to a claimant or a plaintiff in a **suit**.

CJPRMA

2025-2026 POLLUTION EXCLUSION

27) Pollution

Claims which would not have occurred in whole or in part but for the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of pollutants at any time.

(a) This exclusion does not apply to firefighting activities, including training burns, or intentional demolition or burns for the purpose of limiting a fire, or the discharge of pollutants for the purpose of controlling a fire; or to police use of mace, oleoresin capsicum (O.C.), pepper gas or tear gas; or to weed abatement or tree spraying.

(b) This exclusion does not apply to claims arising from sudden and accidental sewer backups into a home or business, but this extension of coverage does not apply to backups, overflow or runoff into public waterways.

Notwithstanding what is stated in the applicable declarations, the limit of coverage for claims described in this exception will be subject to a sublimit of \$7,500,000.

(c) This exclusion does not apply to claims arising from the sudden and accidental discharge, dispersal, release, or escape of chlorine and other chemicals (gas, liquid or solid) which are being used or being prepared for use in fresh or wastewater treatment or in water used in swimming pools, wading pools or decorative fountains.

Notwithstanding what is stated in the applicable declarations, the limit of coverage for claims described in this exception will be subject to a sublimit of \$7,500,000.

(d) This exclusion does not apply to claims arising from materials being collected as part of any drop-off or curbside recycling program implemented and operated by the covered party; if the materials have not been stored by the covered party or parties for a continuous period exceeding ninety (90)

days. Notwithstanding what is stated in the applicable declarations, the limit of coverage for claims described in this exception will be subject to a sublimit of \$7,500,000.

(e) This exclusion does not apply to sudden and accidental discharges of pollutants occurring during the transportation or deposit of materials as part of garbage collection activities. However, the exclusion does apply after pollutants have been deposited at a landfill or garbage dump.

(f) This exclusion does not apply to bodily injury or property damage arising from activities of the covered party to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize pollutants, but this exception will not apply to bodily injury or property damage caused by pollutants on or arising from premises, equipment or locations under the control of the covered party.

(g) This exclusion does not apply to sudden and accidental discharges of pollutants from premises owned or controlled by a Covered Party as described in Definition 8(a) or (b) if the discharge is discovered within ten (10) days of the occurrence and reported to the Authority within thirty (30) days of discovery. Notwithstanding what is stated in the applicable declarations, the limit of coverage for claims described in this exception will be subject to a sublimit of \$7,500,000.

As used in paragraphs (b), (c), (e) and (g) above, “sudden” means abrupt or immediate, and occurring within a period not exceeding twenty-four (24) hours; “accidental” means causing harm neither expected nor intended by a covered party. Notwithstanding what is stated in the applicable declarations, any liability arising out of the actual, alleged or threatened exposure to asbestos or lead, which is covered by an exception within this exclusion, shall be subject to a sublimit of \$7,500,000.

28) Pollution Clean Up

Any loss, cost or expense, including defense costs, arising out of any:

(a) request, demand or order that any covered party 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; or

(c) claim or suit brought under the Clean Water Act, including state or federal enforcement actions under 33 U.S. Code sections 1319, et seq.; citizen suits brought under sections 1365, et seq.; or state enforcement actions brought under the California Water Code sections 13385, et seq.; or claims or suits brought under any similar law relating to discharge permit violations.

22) Pollutants means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals, airborne particles or fibers, asbestos, lead and waste. Waste includes material to be recycled, reconditioned or reclaimed. The term pollutants as used herein does not mean potable water, agricultural water, water furnished to commercial users or water used for fire suppression.

CJPRMA INVERSE EXCLUSION

22) Land Use

Claims arising out of or in connection with land use regulation, land use planning, the principles of eminent domain, condemnation proceedings or inverse condemnation by whatever name called, and whether or not liability accrues directly against any covered party by virtue of any agreement entered into by or on behalf of any covered party. Land use planning and land use regulation include the approval or disapproval of any land-use entitlement including but not limited to general plan amendments, zoning amendments, variances, permits, tract maps, development agreements, owner-participation agreements, or disposition-and-development agreements; the approval or disapproval of any rent control ordinance, outdoor advertising ordinance, or adult bookstore ordinance, taxi ordinance; or the approval or disapproval of the operation of a marijuana dispensary whether medical, recreational or otherwise, any ordinances governing that activity, and any and all enforcement efforts.

ANML 2025-2026 POLLUTION EXCLUSION

Q. POLLUTION

1. To **ultimate net loss** arising out of the actual or threatened discharge, dispersal, seepage, migration, release or escape of **pollutants** anywhere in the world;
2. To **ultimate net loss** arising out of any governmental direction or request that the **Authority**, the **Covered Party** or any other person or organization test for, monitor, clean-up, remove, contain, treat, detoxify, neutralize or assess the effects of **pollutants**;
or
3. To **ultimate net loss**, including but not limited to costs of investigation or attorneys' fees, incurred by a governmental unit or any other person or organization to test for, monitor, clean-up, remove, contain, treat, detoxify or neutralize **pollutants**.

As used in this exclusion, **pollutants** means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste material. Waste material includes materials which are intended to be or have been recycled, reconditioned or reclaimed.

However, this exclusion does not apply to liability arising out of:

- a. Water, whether recycled, reconditioned or reclaimed;
- b. Any discharge, dispersal, seepage, migration, release or escape directly or indirectly caused by fire, explosion, lightning, windstorm, vandalism or malicious mischief, riot and civil commotion, flood, collision, or upset of a motor vehicle, railroad vehicle, mobile equipment, automatic sprinkler leakage or **aircraft**;
- c. Police use of mace, oleoresin capsicum (o.c.), pepper gas or tear gas;
- d. Weed abatement or spraying;
- e. The **completed operations hazard**; or
- f. Any discharge, dispersal, seepage, migration, release or escape of **pollutants** that meets all of the following conditions:

- 1) It was accidental and neither expected nor intended by the **Covered Party**. This condition would not serve to deny coverage for a specific incident where such discharge, dispersal, seepage, migration, release or escape of **pollutants** was a result of an attempt by the **Covered Party** to mitigate or avoid a situation where substantial third party **bodily injury, property damage** or **personal injury** could occur;
- 2) It was demonstrated as having commenced on a specific date during the term of this Memorandum of Coverage;
- 3) Its commencement became known to the **Covered Party** within seven calendar days and was further reported to the person responsible for risk management at the **Member Agency** within a reasonable time frame;
- 4) Its commencement was reported in writing to the **Authority** within forty calendar days

of becoming known to the person responsible for risk management at the **Member Agency**; and

5) Reasonable effort was expended by the **Covered Party** to terminate the situation as soon as conditions permitted;

However, nothing contained in this provision 3, shall operate to provide any coverage with respect to:

a. Any site or location principally used by the **Covered Party** or by others on the **Covered Party's** behalf, for the handling, storage, disposal, dumping, processing or treatment of waste material;

b. Any fines or penalties;

c. Any cleanup costs ordered by the Superfund Program, or any federal, state or local governmental authority. However, this specific exclusion c) shall not serve to deny coverage for third party clean-up costs otherwise covered by this Memorandum of Coverage simply because of the involvement of a governmental authority;

d. Acid rain;

e. Clean up, removal, containment, treatment, detoxification or neutralization of **pollutants** situated on premises the **Covered Party** owns, rents or occupies at the time of the actual discharge, dispersal, seepage, migration, release or escape of said pollutants; or

f. Water pollution caused by oil or its derivatives.

INVERSE CONDEMNATION

M. To claims for loss or **damage** including consequential loss or any liability of any and all **covered parties** arising out of or in any way connected with the application of the principles of eminent domain, condemnation proceeding, retroactive condemnation, inverse condemnation or reverse condemnation, by whatever name called, regardless of whether such claims are made directly against the **covered party** or by virtue of any agreement entered into by or on behalf of the **covered party**.

This exclusion does not apply, however, to **Property Damage** for which the **covered party** may be legally responsible, and for which recovery is sought by claimant or plaintiff pursuant to a claim for inverse condemnation, by whatever name called; provided, however, that in any case in which a claim of inverse condemnation is made against the **covered party**, coverage shall exist for **Property Damage** only, and there shall be no coverage for reduced value of property (diminution of value), plaintiff's attorney fees and expert fees, severance **damages**, relocation costs, or any other form of relief, however denominated.



Item No. C.1.c
Underwriting Committee
September 11, 2025

PRISM MEDICAL MALPRACTICE PROGRAM DISCUSSION

ISSUE: ACCEL excludes Medical Malpractice (Med Mal) coverage under the \$4M xs \$1M Memorandum of Coverage (MOC) and gives back coverage for emergency medicine. Recently, Members have had questions regarding coverage for mobile programs or vicarious exposure at miscellaneous Member locations in which third party entities are providing services. PRISM's Med Mal program has been proposed as a potential solution.

PRISM Med Mal has confirmed mental health services provided remotely are covered. Coverage for physical visits at non-established medical facilities is still under review but at this moment no coverage exists. For a City that required physical health coverage, an open market solution was found that bore a similar cost to the PRISM program but at a reduced limit and depth of coverage. Additionally, coverage exists only for work that is "Authorized" on behalf of the City. Whatever operations the Member agrees to cover will be covered but anything on the fringes is not. Veterinarians would also not be covered under the Med Mal program.

The goal of today's discussion is to gather input from the Committee about what services are provided at the Member Agencies and what actions ACCEL should take as a result.

Topics for discussion include:

1. Should ACCEL decide to move forward with PRISM Med Mal, ACCEL would join as the insured and the Member Cities would be individual named insured's under ACCEL.
2. Members could join the PRISM Med Mal Program individually and then later slide under the ACCEL "umbrella" membership in the program.

About PRISM's Med Mal Program:

1. The Med Mal program would have a deductible structure.
2. A No-Known-Loss-Letter would be needed from all members seeking coverage.
3. A JPA Agreement would not be required as ACCEL is already a member of PRISM for EWC.
4. A Board Resolution may be required, and the Administrators are working to confirm. A MOU would be required for ACCEL only.

Attached is the PRISM Med Mal MOC. The critical pages are 23-24 and 21-22 which are the endorsement that covers mental health and the endorsement section that specifies the tie to the established medical facility.



The application process would be as follows: Once the applications are submitted they will be reviewed and approved by the PRISM Med Mal Committee at a Committee Meeting. After this approval, the carrier partner will need to approve. Coverage can be bound at this point and can be bound mid-term, though the policy is on a 7/1 schedule.

ACCEL's MOC exclusion:

Exclusion:

- K. To liability arising out of medical professional services provided by any doctor, nurse, or dentist employed by or contracted by or on behalf of the Member Agency, including:
- (1) Rendering, or failure to render:
 - (a) Medical, surgical, dental, x-ray or nursing service or treatment or the furnishing of foods or beverages in connection therewith.
 - (b) Any service or treatment conducive to health or of a professional nature.
 - (c) Any cosmetic or tonsorial service or treatment.
 - (2) Furnishing of, or dispensing of, drugs or medical, dental, or surgical supplies or appliances.

This exclusion does not apply to the activities of paramedics, emergency medical dispatchers, technicians or similar personnel.

- L. To liability arising out of the ownership or operation of any hospital or medical clinic, including any mobile medical clinic.

RECOMMENDATION: It is recommended to send the PRISM Med Mal Applications to the Membership or provide further direction.

Additional Considerations

In favor: A vote in favor indicates that the Members are seeking an insurance solution with PRISM's Med Mal Program and apply mid term or effective July 1, 2026.

Against: A vote against would indicate that after discussion of ACCEL's Members' exposures, the Committee may want to seek alternative solutions.

ACCEL

Authority for California Cities Excess Liability

c/o Alliant Insurance Services, Inc.
Corporation Insurance License No. 0C36861
560 Mission Street, 6th Floor, San Francisco, CA 94105



FISCAL IMPACT: The fiscal impact cannot be determined at this time.

BACKGROUND: At the September 2024 Underwriting Committee Meeting, the Committee discussed the Med Mal exposure of ACCEL Members and whether or not the existing exclusion matched ACCEL's intent. At the October 2024 Board Meeting, the Board took action to slightly amend the exclusion language to add "on behalf of" and "mobile clinics". Given the growing number of clinics providing discounted or free medical service to the at risk populations in CA cities, the Board has discussed addressing ACCEL Members' vicarious Med Mal exposure with an insurance solution.

In the past, as demonstrated with Salinas's admission to the PRISM EWC program at July 1, 2019, it has been a simple process for ACCEL members to join PRISM lines. This is because ACCEL is a member of PRISM and has signed the JPA agreement on behalf of all ACCEL Members. Since the City participated in the JPA, and was only adding a program, no formal documents were required.

ATTACHMENT: 1) PRISM Med Mal MOC
2) PRISM Med Mal Applications

PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT (PRISM)
MEDICAL MALPRACTICE PROGRAM 2
MEMORANDUM OF COVERAGE
Medical Professional Services and Limited General Liability
Claims Made Form

In consideration of the payment of the premium and in reliance upon the statements in the Declarations and application made a part hereof and subject to all of the terms and conditions of the Medical Malpractice Program 2 Memorandum of Coverage (Memorandum) and any endorsements attached hereto, Public Risk, Innovation, Solutions, and Management (PRISM) agrees with the **Member** as follows:

COVERAGE AGREEMENT

After the amount of the deductible has been exhausted by payment of judgments, settlements and/or **defense costs** for covered losses, PRISM will indemnify the **Member** for those sums which the **covered party** is legally obligated to pay as **damages** because of:

Coverage A. **Medical professional services**

arising from a **medical event** occurring subsequent to the retroactive date and for which claim is first made during the Memorandum Period or any **extended claims made period** as defined herein;

Coverage B. **Bodily injury and property damage**

arising from an **event** occurring subsequent to the retroactive date and for which claim is first made during the Memorandum Period or any **extended claims made period** as defined herein; or

Coverage C. **Personal injury**

arising from an offense occurring subsequent to the retroactive date and for which claim is first made during the Memorandum Period or any **extended claims made period** as defined herein.

It is agreed that such coverage as is provided by this Memorandum shall only apply to liability arising out of or in connection with the ownership or operation of an **established health care facility**

DEFENSE

After the amount of the deductible has been exhausted by payment of judgments, settlements and/or **defense costs** for covered losses, PRISM will indemnify the **Member** for those **defense costs** the **Member** incurs for covered losses.

PRISM shall have the right and duty to defend any **suit** against a **covered party** seeking **damages** to which this Memorandum applies, even if such **suit** is groundless, false or fraudulent. However, (1) the amount PRISM pays for judgments, settlements or **defense costs**, or any combination thereof, is limited to the amount shown in the Declarations; (2) PRISM may investigate, negotiate and settle any claim or **suit**, at PRISM's discretion; (3) any payment of amounts incurred hereunder will serve to reduce the limits of liability as stated in the Declarations; and (4) PRISM's right to and duty to defend ends when PRISM has expended the applicable limit of liability as shown in the Declarations.

EXCLUSIONS

This Memorandum does not apply to:

- A. **Damages** arising out of the ownership, maintenance, operation, use, entrustment to others, loading, or unloading of:
 - 1. Any **automobile**, watercraft, or aircraft owned by, operated by, or rented or loaned to any **covered party**; or
 - 2. Any other **automobile**, watercraft, or aircraft operated by any person in the course of employment by any **covered party**;
- B.
 - 1. to **Personal Injury, Bodily Injury, Property Damage**, economic loss, or any other injury or damage, arising directly or indirectly out of the actual, alleged, possible, or threatened discharge, dispersal, release, or escape of **pollutants**;
 - 2. to any economic loss, response cost, expense, or payment arising directly or indirectly out of any governmental direction or request that any **Covered Party** or anyone else conduct any studies or investigations of, or test for, monitor, clean up, remove, contain, treat, detoxify, or neutralize any **Pollutants**, any **Contamination**, or any part of the **Environment**;
 - 3. to actual, alleged, possible, or threatened **Contamination** of any part of the **Environment**; or

4. to any fines, penalties, or other costs or assessments of any kind and for any purpose arising from any **Contamination** which any **Covered Party** is directed to pay.

This exclusion shall not apply to claims arising out of **Personal Injury, Bodily Injury or Property Damage** caused by Hostile Fire or Explosion on your premises, or by heat, smoke, fumes, panic or other causes resulting therefrom.

The following words are defined for purposes of this exclusion:

Pollutants means medical waste whether or not ultimately determined to be a possible source of **Contamination**. **Pollutants** also means any solid, liquid, gaseous or thermal, acoustic, electric, magnetic, electromagnetic irritant or contaminant including smoke, vapor, soot, dusts, fumes, fibers, acid, alkalis, sound, microwaves, all ionizing and non-ionizing radiation, chemicals, and waste. Waste includes materials, which are discarded, abandoned, inherently waste-like, or materials to be disposed of, recycled, reconditioned, or reclaimed.

Contamination means any unclean or unsafe, or damaging or injurious, or unhealthful condition arising out of the presence of **Pollutants**, whether permanent or transient, in any **Environment**.

Environment means and includes all persons, any man-made object, building, feature, animals, crops, vegetation, land, bodies of water, underground water, water table, water table supplies, air, and any other feature of the earth or its atmosphere, whether or not altered or developed or cultivated, or any part thereof.

Without limiting the other provisions of this Memorandum, PRISM is not and shall not be obligated to defend any **Covered Party** or to incur any costs or expense including attorney's fees relating to the defense of any **Covered Party** in any civil, administrative, or other proceedings against any claims or suits to which this coverage does not apply because of this exclusion.

- C. Any obligation for which the **covered party** may be held liable under any workers' compensation, unemployment compensation, or disability benefits law or under any similar law;
- D. Injury to any employee, student or authorized volunteer worker of the **covered party** arising out of and in the course of duties on behalf of the **covered party**, but this exclusion does not apply to **medical professional services** rendered to such person by the **covered party**, or to **personal injury** to such person;

- E. **Personal injury** arising out of the willful violation of a penal statute or ordinance committed by or with knowledge or consent of the **covered party** except that any act for which a **covered party** is responsible shall not be imputed to any other **covered party** for purposes of this exclusion;
- F. **Personal injury** arising out of a publication or utterance described in subdivision (b) of the definition of **personal injury** concerning any person, organization, or business enterprise, or its products or services, made by or at the direction of the **covered party** with knowledge of the falsity thereof;

G. **Property damage** to:

1. Property owned or occupied by or rented to any **covered party**;
2. Property used by any **covered party**;
3. Property in the care, custody, or control of any **covered party** or over which any **covered party** is, for any purpose, exercising physical control;

But, except with respect to liability assumed by any **covered party** under any contract or agreement, subsections 1. and 3. of this exclusion do not apply to **property damage** to structures or portions thereof rented to or occupied by any **covered party**, including fixtures permanently attached thereto, if such **property damage** arises out of fire or explosion;

4. Premises alienated by any **covered party** arising out of such premises or any part thereof;
5. Any **covered party's products** arising out of such products or any part of such products; or
6. Work performed by or on behalf of any **covered party** arising out of the work or any portion thereof, or out of material, parts, or equipment furnished in connection therewith.

- H. Claims or **suits** against any of the **covered party's** independent medical staff except when acting in their capacity as employed physicians or as may be endorsed hereto. No settlement by the **covered party** on behalf of the independent medical staff shall operate to reduce the deductible except to the extent coverage may otherwise be provided under this Memorandum or by endorsement;

- I. Liability assumed by a **covered party** under any contract or agreement for professional services, unless the **covered party** would have been liable in the absence of such assumption of liability, except as specifically provided under this Memorandum by endorsement. This exclusion shall not apply to liability assumed under contract for the **contracted covered parties** identified under paragraph "E" in the "COVERED PARTIES"

section of the Memorandum;

- J. Punitive **damages**, exemplary **damages**, fines, penalties, treble **damages**, or any other enhancements, increases or multiplications of compensatory **damages**;
- K. Liability for **bodily injury** not arising out of **medical professional services**, **property damage**, or **personal injury** which arises out of asbestos including but not limited to:
 - 1. Inhaling, ingestion, or prolonged physical exposure to asbestos or goods or products containing asbestos; or
 - 2. The use of asbestos in constructing or manufacturing any goods, products, or structures; or
 - 3. The removal of asbestos from any goods, products or structures; or
 - 4. The manufacture, transportation, storage, handling, distribution, sale, application, mining, consumption, or disposal of asbestos or goods or products containing asbestos.
- L. Administrative proceedings not alleging **damages** to which this coverage applies.
- M. To injunctions, equitable relief, writs of mandate or any other form of relief other than the payment of **damages**.

However, this exclusion shall not apply to writs of mandate where **damages** are recoverable. Where this exception to the exclusion applies, coverage is afforded solely for those causes of action under which **damages** are recoverable.

- N. To claims or **suits** alleged or filed as a class action to remediate conditions in a jail, including but not limited to related claimant's attorneys' fees and costs, ongoing treatment or monitoring, or other remediation or compliance costs contemplated in settlement, under a consent decree, or final judgment. However, this exclusion shall not apply to **damages** awarded to an individual claimant or plaintiff as part of a judgment or a settlement with the written consent of PRISM.

- O. As respects liability assumed by the **covered party** under any contract:

To any claim, judgment or agreement from any arbitration proceeding wherein PRISM is not entitled to exercise with the **covered party**, the **covered party's** rights in the choice of arbitrators, and in the conduct of such proceedings.

WHEN CLAIM IS FIRST MADE

A claim shall be considered as having been first made at the earlier of the following times:

- A. When the **Member** first receives notice that a claim has been made against a **covered party**; or
- B. When the **Member** first gives written notice to PRISM or to any of its authorized agents of specific circumstances involving a particular person, which may result in a claim. Reports of incidents made by the **Member** to PRISM as part of engineering or loss control services shall not be considered notice of claim;

LIMITS OF LIABILITY, DEDUCTIBLE, AND POOL RETENTION

A. PRISM POOL

It is agreed that the **Members** of Program 1 and Program 2 have created a Pool Layer(s) in an amount per **medical event**, per **event**, and per offense as stated in the Declarations. Such Pool Layer will apply in excess of each **Member's** deductible or self-insured retention as stated in the Declarations on a per **medical event**, **event**, or offense basis only.

B. LIMITS OF LIABILITY

Regardless of the number of: (1) **Members** or **covered parties** under this Memorandum; (2) **Members** or **covered parties** named in a claim or **suit**; (3) persons or organizations who sustain injury or **damage**; or (4) claims made or **suits** brought, PRISM's liability is limited as follows:

1. Per **medical event**, **event** or offense – The limit of liability stated in the Declarations as per **medical event**, per **event** or per offense is the limit of PRISM's liability for payment of all judgments, settlements and/or **defense costs** attributable to each **medical event**, **event**, or offense covered under this Memorandum;
2. Subject to the above provision respecting the limit of liability per **medical event**, per **event**, and per offense, the limit of liability stated in the Declarations as the annual per Member aggregates is the total limit of PRISM's liability for payment of all judgments, settlements, and/or **defense costs** for all **medical events**, **events**, and offenses covered under this Memorandum;

PRISM's limit of liability is in excess of the deductible.

C. DEDUCTIBLE

Regardless of the number of: (1) **Members** or **covered parties** under this Memorandum; (2) **Members** or **covered parties** named in a claim or **suit**; (3) persons or organizations who sustain injury or **damage**; or (4) the number of claims made or **suits** brought, the deductible applies as follows:

Per **medical event, event**, or offense – The deductible stated in the Declarations as per **medical event**, per **event** or per offense is the amount required to be retained by the **Member** for each **medical event, event**, or offense covered under this Memorandum.

D. DEFENSE COSTS

Payment of **defense costs** made by PRISM or the **Member**, shall serve to exhaust the limits of liability or deductible, respectively, but only to the extent of any such payment made.

COVERED PARTIES

Each of the following is a **covered party** under this Memorandum to the extent set forth below:

- A. The **Member**, including those individuals who were or are now elected or appointed officials of the Member, whether or not compensated, including members of the Member's governing body;
- B. An officer, hospital administrator, hospital supervisor, or member of the Board of the Trustees, Directors, or Governors of the **Member** while acting within the scope of his or her duties as such;
- C. A person who is a member of a formal accreditation or other professional board or committee of the **Member** or any person responsible for executing the directives of such boards of committees while acting within the scope of his or her duties as such;
- D. Current and former students, authorized volunteers or employees of the **Member** including employed interns, residents, post-graduate trainees, fellows, and other physicians, surgeons, and dentists while acting within the scope of their employment by the **Member**; and
- E. Contracted physicians, surgeons or ancillary health care providers for whom the **Member** has agreed to cover under a written contract, or their temporary substitutes, in the course of delivering **medical professional services** at **Member** facilities or on behalf of the **Member** (hereinafter **contracted covered party**);

- F. A person (other than an employee of the **Member**) or any organization while acting as real estate manager for the **Member**;
- G. Any person or organization for whom the **Member** has agreed to cover under a written contract subject to all terms and conditions of this Memorandum. PRISM shall have the right, but not the obligation, to prior approval of said contract(s);

The coverage afforded applies separately to each **covered party** against whom claim is made, or **suit** is brought, except with respect to PRISM's limits of liability.

DEFINITIONS

The words and phrases below have the following definitions when used in this Memorandum or in the endorsements forming a part hereof:

“Automobile” means a land motor vehicle, trailer, or semi-trailer including any machinery, or apparatus attached to any of the foregoing, designed for travel on public roads.

“Bodily injury” means bodily harm, sickness, disability or disease sustained by a person, including death resulting from any of these at any time. **Bodily injury** includes mental injury, mental anguish, humiliation, or shock. **Bodily injury** shall include care, loss of services, loss of consortium, or death resulting at any time from the **bodily injury**.

“Contracted covered party” means a separate individual or entity added to this Memorandum as a **covered party** and having a contractual relationship with a **covered party** for purposes of providing **medical professional services**.

“Covered party” means any person or organization qualifying as a **covered party** in the “COVERED PARTIES” section. **“Covered party’s product”** means goods or products, including any container of either (other than a vehicle), manufactured, sold, handled, or distributed by the **covered party** or by others trading under the **covered party’s** name, but **covered party’s product** shall not include a vending machine or any other property rented to or located for use of others but not sold.

“Damages” means monetary compensation resulting from: (a) **medical professional services**; (b) **bodily injury** or **property damage** or (c) **personal injury**.

“Defense Costs” means

- a) Reasonable fees charged by an attorney, including expenses of a claims servicing organization the **covered party** has engaged, and all other reasonable fees and costs, including expenses attributable to the investigation, defense, administration or appeal of a claim or **suit** within the scope of coverage afforded by this Memorandum; and

- b) Third-party attorney's fees and costs as authorized by law or under a contract, interest of any kind, and any other costs taxed against a **covered party**, attributable to a claim or **suit** within the scope of coverage afforded by this Memorandum.

Defense Costs shall not include any allocated claims expenses, salaries, or overhead incurred by employees of the **covered party**.

Defense Costs shall not include any fees, costs, or expenses incurred in connection with administrative proceedings where a claimant does not seek **damages**.

"Established health care facility" means hospitals, clinics, jails, public health departments, mental health departments, and coroner services owned or operated by the **Member**.

For purposes of Coverages B and C, only that part of a jail exclusively designated for **medical professional services** constitutes an **"established health care facility."** However, this limitation does not apply to **Covered Parties** licensed or designated to provide **medical professional services**.

"Event" means an accident or injury including continuous or repeated exposure to the same or similar harmful conditions, which results in **bodily injury** or **property damage** neither expected nor intended from the standpoint of the **covered party**. **Event** includes any intentional act by or at the direction of the **covered party**, which results in **bodily injury or property damage** if such injury or **damage** arises solely from the use of reasonable force for the purpose of protecting persons or property.

"Extended claims made period" means the time after the end of the Memorandum Period, allowed for claims to be made (1) that are within the scope of coverage of this Memorandum and (2) that arose from a **medical event, event** or offense that occurred after the retroactive date but before the end of the Memorandum Period.

"Medical event" means **bodily injury** arising from an act or omission in the course of rendering or failing to render **medical professional services** by a **covered party** or anyone for whose **medical professional services** the **covered party** is legally responsible. Interrelated **medical events** that are causally connected or otherwise interdependent or have as a common nexus any act, error or omission, are considered to be one **medical event**. **Medical events** do not include acts or omissions in failing to render **medical professional services** by **covered parties** neither licensed, nor designated to provide **medical professional services**.

"Medical professional services" means the rendering of or failure to render the following professional services:

- (a) Medical, surgical, dental, x-ray or nursing, service or treatment, to any person, including the furnishing of food or beverages in connection therewith;
- (b) Service or treatment related to physical or mental health or of a professional nature;
- (c) Furnishing or dispensing of drugs or medical, dental, or surgical supplies or appliances if the injury occurs after the **covered party** has relinquished possession thereof to others;
- (d) Handling of or performing post-mortem examination on human bodies;
- (e) Service by any person as a member of a formal accreditation or similar professional board or committee of the **Member** or as a person charged with the duty of executing directives of any such board or committee;
- (f) Any cosmetic or tonsorial service or treatment.

“Member” means the entity named in Item 1 of the Declarations.

“Personal injury” means injury arising out of one or more of the following offenses committed in the conduct of the **Member’s** business:

- (a) False arrest, detention, or imprisonment or malicious prosecution;
- (b) The publication or utterance of a libel or slander or other defamatory or disparaging material, or a publication or utterance in violation of an individual’s right of privacy except publications or utterances in the course of or related to advertising, broadcasting, or telecasting activities conducted by or on behalf of the **Member**; or
- (c) Wrongful entry or eviction or other invasion of the right of private occupancy.

“Property damage” means physical injury to or destruction of tangible property, including all loss of use thereof as a result of such physical injury or destruction; or loss of use of tangible property that is not physically injured.

“Suit” means a civil or administrative proceeding, including arbitration and other alternative dispute resolution procedures, in which **damages**, because of **medical professional services, bodily injury, property damage, or personal injury**, to which this coverage applies, are alleged.

CONDITIONS

A. PREMIUM

All premiums for this Memorandum shall be computed in accordance with PRISM's rules, rates, rating plans, premiums, and minimum premiums applicable to the coverage afforded herein. The **Member** shall maintain records of such information as is necessary for premium computation, and shall, as PRISM may direct, send copies of such records PRISM at the end of the Memorandum Period or at other times during the Memorandum Period.

B. INSPECTION AND AUDIT

PRISM shall be permitted but not obligated to inspect the **covered party's** property and operations at any time. PRISM's right to make inspections or the making thereof or any report for the benefit of the **covered party** or others shall not constitute an undertaking on behalf of or for the benefit of the **covered party** or others to determine or warrant that such property or operations are safe, healthful, or in compliance with any law, rule, or regulation.

PRISM may examine and audit the **Member's** books and records at any time during the Memorandum Period and extensions thereof and within three years after the final termination of this Memorandum as far as they relate to the subject matter of this coverage.

C. COVERED PARTY'S DUTIES IN THE EVENT OF CLAIM OR SUIT

In the event of claim or **suit**, the **Member** shall:

1. As soon as practicable, give written notice to PRISM or to any of its authorized agents of any claim or **suit** which involves or is likely to involve this Memorandum. The notice shall identify the **Member** and any other **covered party** involved in the claim or **suit** and contain reasonably obtainable information with respect to the time, place, and circumstances of the claim or **suit** including the name of the complainant and of available witnesses;
2. If **suit** is brought against the **covered party**, as soon as practicable, forward to PRISM or to any of its authorized agents a complete copy of every demand, notice, summons, or other process received by the **covered party** or the **covered party's** representative, whether or not the **suit** involves or is likely to involve the limit of liability provided by this Memorandum; and
3. Cooperate with PRISM and upon PRISM's request assist in making settlements, assist in the conduct of **suits**, and assist in enforcing any right of contribution or indemnity against any person or organization who may be liable to the **covered party** because of injury or **damage** with respect to which coverage is afforded under this Memorandum; and the **covered**

party shall attend hearings and trials and assist in securing and giving evidence and in obtaining the attendance of witnesses.

D. ACTION AGAINST PRISM

No action shall lie against PRISM unless, as a condition precedent thereto, there has been full compliance with all of the terms of this Memorandum, and the amount of the **Member's** obligation to pay has been finally determined either by judgment against the **covered party** after actual trial or by written agreement of the **Member**, the claimant, and PRISM. Any person or organization or the legal representative thereof who has secured such judgment or written agreement shall thereafter be entitled to recover under this Memorandum to the extent of the coverage afforded by this Memorandum.

No person or organization shall have any right under this Memorandum to PRISM as a party to any action against the **covered party** to determine the **covered party's** liability.

Bankruptcy or insolvency of the **covered party** or of the **covered party's** estate shall not relieve PRISM of any of its obligations hereunder.

E. OTHER COVERAGE

1. This coverage is excess over any other coverage available to any **covered party** and such other coverage shall not be used to reduce the self-insured retention or deductible hereunder. This clause does not apply to excess coverage written specifically to be in excess of this Memorandum.

Notwithstanding the foregoing paragraph, if, because of liability arising out of or in connection with the operation of any **established health care facility**, coverage for a claim or **suit** is available under this Memorandum and under any other memorandum of coverage issued by PRISM, this Memorandum shall afford primary coverage only where the gravamen of the claim or **suit** involves liability covered hereunder.

For claims or **suits** to which this provision applies, the full amount of the deductible under this Memorandum shall be owed, regardless of the availability of coverage under any other memorandum of coverage.

2. For a claim or **suit** to which this Memorandum applies, then with respect to **contracted covered parties**:
 - (a) If any other collectible coverage is available to the **contracted covered party** (whether such coverage is stated to be primary, contributing, excess or contingent) that covers a loss that is also covered by this Memorandum, the coverage provided by this

Memorandum will apply in excess of, and shall not contribute with, such coverage;

If no recovery is available to the additional **contracted covered party** as a result of insolvency of the underlying coverage provider or by reason of the **contracted covered party** having breached the coverage agreement or failure of the **contracted covered party** to purchase the required coverage in accordance with his or her written contract with the **Member**, this coverage shall apply as if the **contracted covered party's** underlying coverage were available and collectable;

- (b) Notwithstanding CONDITION E.2.(a), if a person or organization qualifies as a **contracted covered party** under this Memorandum and the **Member** agrees to indemnify that **contracted covered party**, on a primary basis, under a written contract and prior to a loss, then solely with respect to that **contracted covered party**:

Subject to the **Member's** deductible and subject to PRISM's limit of liability, this Memorandum shall provide the same limits of coverage set forth in the **Member's** indemnity agreement with the **contracted covered party**; and

If there is any other collectible coverage available to the **contracted covered party** (whether such coverage is stated to be primary, excess or contingent) that covers a loss that is also covered by this Memorandum, the coverage afforded under this Memorandum shall, subject to the **Member's** deductible, be primary and non-contributory up to the **Member's** contractual indemnity obligation. Any such other collectible coverage will then apply in excess of the **Member's** indemnity obligation.

F. SUBROGATION

PRISM shall be subrogated to the extent of any payment hereunder to all the **covered party's** rights of recovery therefore. The **covered party** shall do nothing after loss to prejudice such rights and shall do everything necessary to secure such rights. Any amount so recovered shall be apportioned as follows: Any person or organization (including the **Member**) who has paid an amount in excess of the deductible plus the limit of liability hereunder shall be first indemnified to the extent of its actual payment. PRISM shall next be indemnified to the extent of its actual payment. Any balance remaining in the amount of recovery shall be paid to those persons or organizations who have paid the amount of the deductible. The expenses of all such recovery proceedings shall be apportioned in the ratio of respective recoveries. If there is no recovery in proceedings conducted solely by PRISM, PRISM shall bear the expenses thereof.

G. CHANGES

Notice to any agent of knowledge possessed by any agent or by any other person shall not effect a waiver or a change in any part of this Memorandum nor stop PRISM from asserting any right under the terms of this Memorandum.

The terms of this Memorandum shall not be waived or changed except by endorsement issued by PRISM to form a part of this Memorandum.

H. ASSIGNMENT

Assignment of interest under this Memorandum shall not bind PRISM until its consent is endorsed hereon.

I. CANCELLATION

Withdrawal or cancellation must be in accordance with Articles 20, 21 and 22 of the Joint Powers Agreement.

J. EXTENDED CLAIMS MADE PERIOD OPTION

Upon cancellation or non-renewal of this coverage, the **Member** will have the option to purchase an **Extended Claims Made Period** endorsement.

The following conditions apply to the **Member's** option:

1. The **Member** must exercise this right to purchase an **Extended Claims Made Period** endorsement by notifying PRISM in writing no later than thirty days after the termination of this coverage;
2. An additional premium, as determined by PRISM's rules, rates, and rating plans then in effect, must be paid before the **Extended Claims Made Period** endorsement can be issued. Such premium shall be deemed fully earned upon the effective date of the endorsement, and the coverage afforded by the **Extended Claims Made Period** endorsement may not be canceled; and
3. The remaining limits of liability for this coverage at the time this coverage is terminated shall be the limits applicable to the **extended claims made period**. The **extended claims made period** shall neither extend the Memorandum Period nor change the scope of coverage provided.

K. DECLARATIONS AND APPLICATION

By acceptance of this Memorandum, the **Member** agrees that the statements in the Declarations and applications are the **Member's** agreements and representations, that this Memorandum is issued in reliance upon the truth of such representations, and that this Memorandum embodies all agreements existing between the **Member** and PRISM or any of its agents relating to this coverage.

L. RELATED COVERED PARTY

Each **Member** is authorized to act on behalf of all related **covered parties** with

respect to all terms and conditions of this Memorandum including but not limited to the giving and receiving of notice of cancellation. Each **Member** is also responsible for the payment of all applicable premiums and deductible amounts as well as compliance with all other terms and conditions of this Memorandum.

M. SETTLEMENT

No claim or **suit** shall be settled for an amount to which this coverage applies without the prior written consent of PRISM.

After giving notice to the **Member**, PRISM has the right, but not the duty, to negotiate and recommend settlement for a stated amount of a claim or **suit** which, in its opinion, involves or may involve the limits afforded by this Memorandum. This right includes the negotiation and recommendation of a settlement amount within the deductible.

If the **Member** refuses to consent to any settlement or compromise recommended by PRISM, and acceptable to the claimant, and elects to contest the claim or **suit** then PRISM's liability shall not exceed the amount, if any, for which PRISM would have been liable for **damages** and claims expenses at the time the claim or **suit** could have been settled or compromised

N. APPEALS

If the **Member** elects not to appeal a judgment in excess of the deductible, PRISM may do so at its own expense, but, in such an occurrence, PRISM's liability for **damages** and **defense costs** shall not exceed the applicable limit of liability stated in the Declarations plus interest on the judgment accruing after its entry plus all fees, costs, and expenses necessary and incident to the appeal. If the judgment is reversed on appeal, the **Member** shall indemnify PRISM for the fees, costs, and expenses PRISM has incurred in the appeal. The indemnification amount shall be limited to the amount of the deductible less **defense costs** incurred by the **Member**.

ENDORSEMENT NO. U-1

**PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT (PRISM)
MEDICAL MALPRACTICE PROGRAM 2
MEMORANDUM OF COVERAGE
Medical Professional Services and Limited General Liability
Claims Made Form**

BROAD FORM SECURITIES EXCLUSION

It is understood and agreed that this Memorandum does not apply to any liability directly or indirectly, based on, attributable to, arising out of, resulting from, or is in any manner related to any actual or alleged violation of the Securities Act of 1933, the Securities Exchange Act of 1934, any Rules or Regulations of the Securities Exchange Commission adopted there under, any like Federal, State or provincial statute regulating securities similar to the foregoing, all as they may be amended, any rules or regulations adopted pursuant thereto, or any other state law, provincial law or common law related to securities.

It is further agreed that nothing herein shall act to increase PRISM's limit of liability.

This endorsement is part of the Memorandum and takes effect on the effective date of the Memorandum unless another effective date is shown below. All other terms and conditions remain unchanged.

Effective Date:

Memorandum No.: PRISM 25 M2 CM 00

Issued to: ALL MEMBERS

Issue Date: June 27, 2025



**Authorized Representative
Public Risk Innovation, Solutions, and Management**

ENDORSEMENT NO. U-2

**PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT (PRISM)
MEDICAL MALPRACTICE PROGRAM 2
MEMORANDUM OF COVERAGE
Medical Professional Services and Limited General Liability
Claims Made Form**

**NUCLEAR ENERGY LIABILITY EXCLUSION ENDORSEMENT – BROAD
FORM**

This Memorandum does not apply:

- A. Under any liability coverage to **bodily injury** or **property damage**:
1. With respect to which a **covered party** under this Memorandum is also a **covered party** 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 a **covered party** under any such memorandum but for its termination upon exhaustion of its limit of liability; or
 2. Resulting from the **hazardous properties** of **nuclear material** and with respect to which (a) any person or organization is required to maintain financial protection pursuant to the Atomic Energy Act of 1954 or any law amendatory thereof, or (b) the **covered party** is, or had this Memorandum not been issued would be, entitled to indemnity from the United States of America, or any agency thereof, under any agreement entered into by the United States of America, or any agency thereof.
- B. Under any liability coverage, to **bodily injury** or **property damage** resulting from the **hazardous properties** of **nuclear material**, if:
1. The **nuclear material** (a) is at any **nuclear facility** owned by, or operated by or on behalf of, a **covered party** or (b) has been discharged or dispersed therefrom;
 2. 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 a **covered party**; or
 3. The **bodily injury** or **property damage** arises out of the furnishing by a **covered party** of services, materials, parts, or equipment in connection with the planning, construction, maintenance, operation, or use of any **nuclear facility**, but if such facility is located within the United States of America; its territories or possessions, or Canada, this endorsement applies only to **property damage** to such **nuclear facility** and any property thereat.

Provided, however, that this endorsement shall not apply to any claim or **suit** resulting from any **covered party's** rendering or failure to render **medical professional services**, including but not limited to nuclear medicine or radiation therapy.

For the purposes of this endorsement, the following words are added to the definition section of the Memorandum:

"Hazardous properties" include radioactive, toxic, or explosive properties.

"Nuclear material" means **source material**, and special **nuclear material** or by-product material.

"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.

"Spent fuel" means any fuel element or fuel component, solid or liquid, which has been used or exposed to radiation in a **nuclear reactor**.

"Waste" means any **waste** material (a) containing by-product material other than the tailings or **wastes** produced by the extraction or concentration of uranium or thorium from any ore processed primarily for its **source material** content, and (b) resulting from the operation by any person or organization of any **nuclear facility** included under the first two paragraphs of the definition of **nuclear facility**.

"Nuclear facility" means:

- a. Any **nuclear reactor**;
- b. Any equipment or device designed or used for (1) separating the isotopes of uranium or plutonium, (2) processing or utilizing **spent fuel**, or (3) handling, processing, or packaging waste;
- c. Any equipment or device used for the processing, fabricating, or alloying of special **nuclear material** but only if the total amount of such material in the **covered party's** custody at any one time at the premises where such equipment or device is located consists of or contains more than 25 grams of plutonium or uranium 233 or any combination thereof, or more than 250 grams of uranium 235;
- d. Any structure, basin, excavation, premises, or place prepared or used for the storage or disposal of waste;
- e. Any includes the site on which any of the foregoing is located, all operations conducted on such site, and all premises used for such operations.

"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.

"Property damage" includes all forms of radioactive contamination of property.

It is further agreed that nothing herein shall act to increase PRISM's limit of liability.

This endorsement is part of the Memorandum and takes effect on the effective date of the Memorandum unless another effective date is shown below. All other terms and conditions remain unchanged.

Effective Date:

Memorandum No.: PRISM 25 M2 CM 00

Issued to: ALL MEMBERS

Issue Date: June 27, 2025



Authorized Representative
Public Risk Innovation, Solutions, and Management

ENDORSEMENT NO. U-3

**PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT (PRISM)
MEDICAL MALPRACTICE PROGRAM 2
MEMORANDUM OF COVERAGE
Medical Professional Services and Limited General Liability
Claims Made Form**

AMENDATORY ENDORSEMENT – OTHER COVERAGE CONDITION

It is understood and agreed that Condition E is amended to add the following:

If coverage for a claim or **suit** is available under this Memorandum and a memorandum of coverage issued in connection with either PRISM's General Liability 1 or General Liability 2 Program, this Memorandum shall afford primary coverage only where the gravamen of the claim or **suit** involves medical malpractice covered hereunder. Where there is a genuine dispute as to the gravamen of the claim or **suit**, then the liability memorandum will afford primary coverage until a coverage determination is made.

Where a memorandum of coverage issued in connection with either PRISM's General Liability 1 or General Liability 2 Program is determined to afford primary coverage pursuant to this section, the exhaustion of PRISM's limit of liability under the General Liability 1 or General Liability 2 Program will satisfy the **covered party's** deductible under this Memorandum.

It is further agreed that nothing herein shall act to increase PRISM's limit of liability.

This endorsement is part of the Memorandum and takes effect on the effective date of the Memorandum unless another effective date is shown below. All other terms and conditions remain unchanged.

Effective Date:

Memorandum No.: PRISM 25 M2 CM 00

Issued to: ALL MEMBERS

Issue Date: June 27, 2025



Authorized Representative

Public Risk Innovation, Solutions, and Management

ENDORSEMENT NO. U-4

**PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT (PRISM)
MEDICAL MALPRACTICE PROGRAM 2
MEMORANDUM OF COVERAGE
Medical Professional Services and Limited General Liability
Claims Made Form**

**AMENDATORY ENDORSEMENT – ESTABLISHED HEALTH CARE
FACILITY**

It is understood and agreed that the “COVERAGE AGREEMENT” is deleted and replaced with the following:

COVERAGE AGREEMENT

After the amount of the deductible has been exhausted by payment of judgments, settlements and/or **defense costs** for covered losses, PRISM will indemnify the **Member** for those sums which the **covered party** is legally obligated to pay as **damages** because of:

Coverage A. **Medical professional services**

arising from a **medical event** occurring subsequent to the retroactive date and for which claim is first made during the Memorandum Period or any **extended claims made period** as defined herein;

Coverage B. **Bodily injury and property damage**

arising from an **event** occurring subsequent to the retroactive date and for which claim is first made during the Memorandum Period or any **extended claims made period** as defined herein; or

Coverage C. **Personal injury**

arising from an offense occurring subsequent to the retroactive date and for which claim is first made during the Memorandum Period or any **extended claims made period** as defined herein.

It is agreed that such coverage as is provided by this Memorandum shall only apply to liability arising out of or in connection with-an **established health care facility**.

It is further agreed that the definition of "Established Health Care Facility" is deleted and replaced with the following:

Established health care facility" means hospitals, clinics, jails, public health departments, mental health departments, and coroner services owned or operated by the **Member**. An **established healthcare facility** includes any other facility where a **covered party** has written authorization from the **Member** to perform **medical professional services**.

For purposes of Coverages B and C, only that part of a jail exclusively designated for **medical professional services** constitutes an "**established health care facility**." However, this limitation does not apply to **Covered Parties** licensed or designated to provide **medical professional services**.

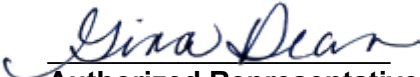
It is further agreed that nothing herein shall act to increase PRISM's limit of liability.

This endorsement is part of the Memorandum and takes effect on the effective date of the Memorandum unless another effective date is shown below. All other terms and conditions remain unchanged.

Effective Date: **Memorandum No.:** PRISM 25 M2 CM 00

Issued to: ALL MEMBERS

Issue Date: June 27, 2025


Authorized Representative
Public Risk Innovation, Solutions, and Management

ENDORSEMENT NO. U-5

PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT (PRISM) MEDICAL MALPRACTICE PROGRAM 2 MEMORANDUM OF COVERAGE Medical Professional Services and Limited General Liability Claims Made Form

AMENDATORY ENDORSEMENT

MENTAL HEALTH PROFESSIONAL FIELD SERVICES

This endorsement modifies the coverage provided under the Medical Malpractice Memorandum of Coverage.

Coverage is hereby extended as follows:

COVERAGE AGREEMENT

After the amount of the deductible has been exhausted by payment of judgments, settlements and/or defense costs for covered losses, PRISM will indemnify the **Member** for those sums which the **covered party** is legally obligated to pay as **damages** because of:

Coverage D. **Mental Health Professional Field Services**

arising from a **medical event** occurring subsequent to the retroactive date and for which a claim is first made during the Memorandum Period or any **extended claims made period** as defined in this Memorandum.

DEFINITIONS

For purposes of the coverage extended by this Endorsement, and in addition to the Definitions set forth in the Memorandum, the following definitions apply:

“**Licensed mental health professional**” shall mean an individual who is licensed or certified by the appropriate regulatory authority in the state in which services are rendered, and who is legally authorized to provide mental or behavioral health services, provided the individual is acting within the scope of their licensure or certification and in good standing with the applicable licensing board. This includes but is not limited to:

- Licensed Clinical Social Workers (LCSW);
- Licensed Marriage and Family Therapists (LMFT);
- Licensed Professional Counselors (LPC);
- Licensed Mental Health Counselors (LMHC);
- Licensed Psychologists (Ph.D. or Psy.D.);
- Licensed Clinical Psychologists (LP);

- Licensed Psychiatric/Mental Health Nurse Practitioners (PMHNP); and
- Licensed Psychiatrists (M.D. or D.O.);

“**Mental Health Professional Field Services**” means **medical professional services** provided by a **licensed mental health professional** while performing duties in collaboration with, or at the direction of, law enforcement or fire department personnel, including crisis intervention, behavioral health assessments, de-escalation assistance, field response and co-response activities, case management, or other activities or operations in connection with the **Member’s** law enforcement or fire department operations.

COVERED PARTY

For the purpose of this endorsement, **Covered Party** shall include:

1. Any **licensed mental health professional** employed by, contracted with, or otherwise assigned to provide services on behalf of the **Member** while acting within the course and scope of their duties and while providing behavioral health support in coordination with the **Member’s** law enforcement or fire department operations.

A **covered party** shall not include any elected or appointed officials, whether or not compensated, or any other person employed by the **Member’s** law enforcement or fire department, except a **licensed mental health professional**.

EXCLUSIONS

For purposes of the coverage extended by this Endorsement, and in addition to the Exclusions set forth in the Memorandum, this Endorsement shall not apply to:

1. **Medical professional services** rendered outside the scope of the license for the **licensed mental health professional**;
2. Activities or operations not authorized or coordinated with the **Member’s** law enforcement or fire department operations;
3. To liability arising out of the willful violation of a penal statute, code, or ordinance committed by or with the knowledge or consent of any **covered party**, except that any act for which the **covered party** is responsible shall not be imputed to any other **covered party** for purposes of this exclusion.
4. Liability arising from any act, error, or omission of an elected or appointed official, whether or not compensated, or any other person employed by the **Member’s** law enforcement or fire department, except a **licensed mental health professional**.

It is further agreed that nothing herein shall act to increase PRISM's limit of liability or alter the Deductible set forth in the Declarations.

This endorsement is part of the Memorandum and takes effect on the effective date of the Memorandum unless another effective date is shown below. All other terms and conditions remain unchanged.

Effective Date:

Memorandum No.: PRISM 25 M2 CM 00

Issued to: ALL MEMBERS

Issue Date: June 27, 2025



Authorized Representative
Public Risk Innovation, Solutions, and Management

**Public Risk Innovation, Solutions, and Management (PRISM)
Medical Malpractice Program
2025/2026 Application**

Please include the following:

1. Loss History: (supply the following)
 - a. Ten years of electronic loss runs showing both open and closed losses and valued within the last 30 days.
 - b. Breakdown of total incurred losses (paid and reserve for indemnity and expenses, paid total, reserve total, and incurred total).
 - c. Full details of allegation on all losses paid or outstanding in excess of \$25,000.
 Most recent accrediting agency (JCAHO, AOA, CARF, etc.) and state licensure report with recommendations and the institution's response to any contingencies.
2. Latest claims audit.
3. Latest actuarial.
4. Current audited financial statement.
5. Current Third Party Administrator name and address.
6. Copies of contracts with independent physicians and/or physician groups.
7. Indicate specialty of each employed physician, surgeon, intern and resident.
8. Complete list of named insureds.
9. Copy of medical staff by-laws (if applicable).
10. AHA survey of hospitals (if applicable).
11. Risk management and quality improvement plan.
12. All hold harmless agreements.
13. For self-insured programs:
 1. Copy of trust financial agreement.
 2. Copy of trust coverage wording.
 3. Financial statement of trust fund.
 4. Recent actuarial review supporting the funding of the self-insured retention.
 5. Name of Claims Adjusting Company.

The requested information is mandated before a quotation can be promulgated.

Instructions:

1. Please type or print clearly.
2. Answer **ALL** questions completely, leaving no blanks. If any questions, or part thereof, do not apply, print "N/A" in the space.
3. If you need more space for your responses, continue on a separate sheet of your letterhead and indicate question number.
4. This form must be completed, dated and signed by a principal of your facility.

I. GENERAL INFORMATION:

Producer Name: _____

Address: _____
City: _____ County: _____ State: _____ ZIP: _____
Telephone #: (_____) _____

Person Completing Application: _____

Applicant Name: _____

Business Address: _____
City _____ County: _____ State: _____ ZIP: _____

Mailing Address:
City _____ County: _____ State: _____ ZIP: _____

Years in Business: _____ Employer Federal Tax ID: _____ Telephone #: (_____) _____

Applicant is (check all that apply):

- | | | | |
|--|---|--|--|
| <p>A. <input type="checkbox"/> Ambulatory Services
 <input type="checkbox"/> Children’s Hospital
 <input type="checkbox"/> Geriatric Hospital
 <input type="checkbox"/> General Hospital
 <input type="checkbox"/> Psychiatric Hospital
 <input type="checkbox"/> Rehabilitation Hospital
 <input type="checkbox"/> Jail
 <input type="checkbox"/> Outpatient Clinics
 <input type="checkbox"/> Public Health Dept.
 <input type="checkbox"/> Skilled Nursing Facility
 <input type="checkbox"/> Mental Health Programs
 <input type="checkbox"/> Crisis Intervention
 <input type="checkbox"/> Inpatient <input type="checkbox"/> Outpatient
 <input type="checkbox"/> Teaching Hospital
 <input type="checkbox"/> Women’s Hospital
 <input type="checkbox"/> Other Correctional Facility (Juvenile Hall, Boot Camp, etc.)
 <input type="checkbox"/> Other: (please specify)</p> | <p>B. <input type="checkbox"/> Individual
 <input type="checkbox"/> Partnership
 <input type="checkbox"/> Corporation
 <input type="checkbox"/> Joint Venture
 <input type="checkbox"/> Government</p> | <p>C. <input type="checkbox"/> Profit
 <input type="checkbox"/> Non-profit
 <input type="checkbox"/> Charitable</p> | <p>D. <input type="checkbox"/> Accredited by JCAHO
 <input type="checkbox"/> Licensed by State
 <input type="checkbox"/> Accredited by AOA
 <input type="checkbox"/> Medicare Approved
 <input type="checkbox"/> Member of AHA
 <input type="checkbox"/> Accredited by CARF</p> |
|--|---|--|--|

E. Hospital Professional Liability

Requested effective date: _____ Retroactive date: _____

F. General Liability –

Requested effective date: _____

- G. Current Form of Insurance:** Professional Liability Occurrence Claims-made
General Liability Occurrence Claims-made

H. Current Hospital Professional and General Liability

HPL Limit: _____ per claim _____ aggregate
GL Limit: _____ per claim _____ aggregate

I. General Liability Deductible

- | | | |
|----------------------------------|-----------------------------------|-----------------------------------|
| <input type="checkbox"/> None | <input type="checkbox"/> \$5,000 | <input type="checkbox"/> \$25,000 |
| <input type="checkbox"/> \$2,500 | <input type="checkbox"/> \$10,000 | <input type="checkbox"/> Other: |

J. Professional Liability Deductible

- None \$5,000 \$25,000
 \$2,500 \$10,000 Other: _____

Self-Insured Retention (if applicable):

1. To what line of coverage will a self-insured retention apply? _____
2. What limit of liability for the self-insured retention?
_____ per claim _____ aggregate
3. Are loss adjustment expenses part of or outside the SIR limit?
4. Is there a dedicated trust? Yes No
What financial institution manages the trust? _____
5. What organization handles claims for the SIR? _____
6. Has an independent actuarial review been completed? Yes No

K. Prior Insurance History

Most recent five (5) Years: (separate Primary General Liability, Professional and Excess/Umbrella, if applicable).

Policy Period	Carrier	Limits	Coverage	Premium

II. FACILITIES AND SERVICES:

A. (check all that apply)

- | | |
|---|--|
| <input type="checkbox"/> Abortion Clinic (Family Planning Clinic) | <input type="checkbox"/> Laboratory |
| <input type="checkbox"/> Ambulance | <input type="checkbox"/> Morgue |
| <input type="checkbox"/> Ambulatory Surgery Center | <input type="checkbox"/> Nursery |
| <input type="checkbox"/> Blood bank | <input type="checkbox"/> Obstetrical |
| <input type="checkbox"/> Burn Unit | <input type="checkbox"/> Open Heart |
| <input type="checkbox"/> CCU | <input type="checkbox"/> Operating Rooms |
| <input type="checkbox"/> Coronary Rescue | <input type="checkbox"/> Outpatient Clinics |
| <input type="checkbox"/> Correctional Care Locked Unit | <input type="checkbox"/> Pathology |
| <input type="checkbox"/> Day Care | <input type="checkbox"/> Pharmacy |
| <input type="checkbox"/> Dialysis | <input type="checkbox"/> Physical Therapy |
| <input type="checkbox"/> Dietary | <input type="checkbox"/> Psychiatric Involuntary Locked Unit |
| <input type="checkbox"/> Drug & Alcohol Treatment | <input type="checkbox"/> Radiation Therapy |
| <input type="checkbox"/> Emergency | <input type="checkbox"/> Radiology |
| <input type="checkbox"/> Helipad | <input type="checkbox"/> Restaurant |
| <input type="checkbox"/> Gift Shop | <input type="checkbox"/> Self-Care |
| <input type="checkbox"/> ICU | <input type="checkbox"/> Shock Trauma |
| <input type="checkbox"/> Inhalation Therapy | <input type="checkbox"/> X-Ray |
| <input type="checkbox"/> Long Term Care | |

B. Does the institution engage in any of the following:

- Formal clinical research under the auspices of an institutional review board.
 Administration of non-FDA approved pharmaceuticals (experimental drugs).
 Biomedical device research and development.

- Animal research.
- Medical and/or surgical experimentation that is not approved by an institutional review board.
- Spine or Back clinic that would include surgical procedures.
- Operation of a “high risk” OB clinic including pre-natal and delivery services.
- Performance of “vanity” sonograms done for pre-natal patients where there is no medical need.
- Mental Health forced outpatient treatment (County participation in AB1421 “Laura’s Law”)

Please provide details if any of the above apply: _____

C. Seclusion & Restraints

Does County Mental Health and Jail Healthcare have a policy in place that provides for advanced evaluation and planning for use of seclusion and restraints? Yes No

III. EXPOSURE AND SERVICES:

1. Professional Employees:

Note: (indicate total number of employees/contractors and the full-time equivalent in each category) – All contracted professionals should be accounted for unless there is specific underlying coverage in place.

<u>Position</u>	<u>Previous 12 Months (Reported)</u>				<u>Next 12 Months (Projected)</u>			
	<u>Employed</u>		<u>Contracted</u>		<u>Employed</u>		<u>Contracted</u>	
	<u>Total</u>	<u>FTE</u>	<u>Total</u>	<u>FTE</u>	<u>Total</u>	<u>FTE</u>	<u>Total</u>	<u>FTE</u>
Physicians/Surgeons:								
Classification 1*								
Classification 2*								
Classification 3*								
Classification 4*								
Classification 5*								
Classification 6*								
Classification 7*								
Classification 8*								
Dentists								
Interns (Hospital Interns)								
Lab Technologists/Technicians								
Licensed Marriage & Family Therapists								
Licensed Medical Social Workers								
Midwives								
Licensed Professional Clinical Counselors								
Nurses:								
Nurse Anesthetists								
Licensed Practical Nurses								
Licensed Vocational Nurses								
Nurse Practitioners								
Student Nurses								
Registered Nurses								
Paramedics								
Perfusionists								
Pharmacists								
Physician assistants								
Podiatrists								
Psychologists								
Residents								
Volunteers								
X-Ray technicians								
Other Health Care Employees:								

Please provide a description of the Other Health Care Employees you added:

2. Hospital/Health Facility Beds

If not a Hospital, Acute Care is not applicable.

Type of Bed	<u>Previous 12 Months (Reported)</u>		<u>Next 12 Months (Projected)</u>	
	<u># of Licensed Beds</u>	<u>Daily Avg. # of Occupied Beds</u>	<u># of Licensed Beds</u>	<u>Daily Avg. # of Occupied Beds</u>
a Acute care	_____	_____	_____	_____
b Long term care	_____	_____	_____	_____
c Pediatric Beds and Cribs/Bassinets	_____	_____	_____	_____
d Mental health (licensed psychiatric)	_____	_____	_____	_____
e Chemical dependency	_____	_____	_____	_____
f Other rehabilitation	_____	_____	_____	_____
g Ailing home beds	_____	_____	_____	_____
h Hospice	_____	_____	_____	_____
i Swing Bed	_____	_____	_____	_____
j Observation Bed	_____	_____	_____	_____
k Other please specify below	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

3. Patient Visitations

Types of Visitations	<u>Previous 12 Months (Reported)</u>	<u>Next 12 Months (Projected)</u>
a. Inpatient Surgeries Neurological (brain, spinal cord, nervous system)	_____	_____
b. Inpatient Surgeries Cardiac	_____	_____
c. Inpatient Surgeries Experimental	_____	_____
d. Inpatient Surgeries Other	_____	_____
e. Births at County Facilities - Total number of annual births at County facilities	_____	_____
f. Births at Other Facilities - Total number of annual births by County physicians at other facilities	_____	_____
g. Emergency room	_____	_____
h. Urgent Care Visits - Total number of annual visits	_____	_____
i. Public Health Clinic Visits (includes Health Institutional Clinical Visits)	_____	_____
j. Lab Tests - Total number of annual specimens (multiple tests for same person, same specimen should be counted as one lab visit)	_____	_____
k. Outpatient Surgeries	_____	_____
l. Chemical Dependency	_____	_____
1. Alcohol Treatment	_____	_____
2. Methadone Treatment	_____	_____
3. Other Drug Treatment	_____	_____
m. Rehabilitation/Therapy	_____	_____
n. Mental Health (psychiatric)	_____	_____
o. Home Health Treatment	_____	_____
p. Home Health Wellness Checks (no treatment)	_____	_____
q. Outpatient Jail Visits	_____	_____
1. Health Care Clinic Visits	_____	_____
2. Mental Health Counseling Visits	_____	_____
3. Lab Tests – Total number of annual specimens (multiple tests for same person, same specimen should be counted as one lab visit)	_____	_____
4. Average <u>Annual</u> Jail Inmate Population	_____	_____
5. Average <u>Daily</u> Jail Inmate Population	_____	_____
6. Total Number of Beds at Jail Facility	_____	_____

- 7. Number of Jail Cells _____
- 8. Average Length of Jail Inmate Stay (Days) _____

r. Other Type of Visits (please specify)

IV. OPERATION:

1. Blood Bank

If hospital owns or operates a blood bank:

- i. Number of volunteer donations _____
- ii. Number of paid donations _____
- iii. Number of pheresis procedures _____
- iv. Number of outpatient transfusions _____
- v. Number of therapeutic plasma exchanges _____

Is coverage desired for blood bank operations? Yes No
 If "yes", please include testing procedures. _____

If hospital does not own or operate a blood bank, from where is the blood or blood product obtained?

A. Criteria for qualifications of employed physicians and surgeons:

- a. Is history of previous employment verified? Yes No
- b. Are references checked? Yes No
- c. Has the license of any employed physician or surgeon ever been restricted or suspended? Yes No

If yes, please provide details: _____

- d. Has the institution been required to notify the National Practitioner Data Bank of any suspension, peer review action or professional liability payment involving any member of the medical or dental staff? Yes No

If yes, please explain: _____

- e. How many employed physicians are board certified or board eligible? _____
- f. Do employed physicians, employed surgeons, interns and residents carry own insurance? Yes No
- g. Are employees to be included as additional insureds? Yes No

B. Staff Privileges of Private Practitioners:

- a. Are credentials of doctors approved by the medical staff and/or hospital review board before privileges are granted? Yes No
- b. Is there a probationary period of at least six months for all staff doctors? Yes No
- c. Are staff doctors' performances periodically reviewed by medical staff and/or hospital review board? Yes No
- d. Do hospital by-laws require staff doctors to carry medical malpractice insurance? Yes No

If yes, what are limits required? _____ per claim _____ aggregate

- e. Are all privileges granted to staff doctors detailed in writing? Yes No
- f. Has the license of any staff physician ever been restricted or suspended? Yes No
- If yes, please provide details: _____

2. Jail

Is Jail Health Care provided by County employees or contractors? _____
 Is Jail Mental Health Counseling provided by County employees or contractors? _____

3. Anesthesiology

a. Is anesthesiology department staffed by:

- Employed Physicians Contract Group Employed CRNAs Staff Physicians
 N/A

If under contract, name of group: _____

If contract group, are certificates of insurance required? Yes No

If yes, what are limits required? _____ per claim _____ aggregate

- b. Are all anesthesiologists required to be board certified or eligible in Anesthesiology? Yes No
- c. Is the anesthesia care performed by CRNAs supervised and reviewed by the anesthesiologists? Yes No

If no, please explain: _____

d. Do any of the anesthesia services staff routinely work more than a 12-hour duty shift? Yes No

If yes, please explain: _____

4. Radiology

a. Is radiology department staffed by:

- Employed Physicians Contract Group Employed CRNAs Staff Physicians
 N/A

b. If under contract, name of group: _____
 If contract group, are certificates of insurance required? Yes No

If yes, what are limits required? _____ per claim _____ aggregate

c. Are all radiologists to be Board Certified or eligible in Radiology and/or Nuclear Medicine? Yes No

5. Emergency Department

a. How is emergency department classified according to JCAHO standards:

- Level I (tertiary) Level II (comprehensive) Level III (basic)
 Other _____
 N/A _____

b. Is emergency department staffed by:

- Employed Physicians Contract Group Rotating Staff

c. If under contract, name of group: _____

If contract group, are certificates of insurance required? Yes No

If yes, what are limits required? _____ per claim _____ aggregate

d. Are all physicians board certified or eligible in emergency medicine? Yes No

e. Are the emergency physicians required to respond to cardiac/respiratory arrests or other medical emergencies occurring in the institution? Yes No

f. Is the emergency room equipped with the following:

- | | | |
|---|------------------------------|-----------------------------|
| Emergency resuscitation care equipped with defibrillator? | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| Electrocardiograph machine | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| Staffed radiology room(s) | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| Dedicated triage area and staff | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| Dedicated trauma room(s) | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| Dedicated laboratory personnel | <input type="checkbox"/> Yes | <input type="checkbox"/> No |

g. Do any of the emergency department staff routinely work more than a 12-hour duty shift? Yes No

If yes, please explain: _____

6. Obstetrics

a. Is the facility a regional referral center for high risk pregnancies or newborns requiring intensive care? Yes No

If no, does a written procedure exist for transferring all high-risk mothers and/or babies which the hospital is not qualified to treat? Yes No

b. Do you have the following nurseries:

- | | |
|---|---------------------------|
| <input type="checkbox"/> Level I: Well baby | Number of bassinets _____ |
| <input type="checkbox"/> Level II: Intermediate care | Number of bassinets _____ |
| <input type="checkbox"/> Level III: Neonatal intensive care | Number of bassinets _____ |

c. Is "Rooming -In" offered? Yes No

d. How many births at your facility (previous 12 months)? _____

e. How many cesarean sections (previous 12 months)? _____

f. How many vaginal births after C-section (VBACs) (previous 12 months)? _____

g. Is continuous electronic fetal monitoring performed on all patients in

active labor? Yes No

If no, please explain: _____

h. Do nurse midwives practice at your hospital? Yes No

7. Surgery

a. How many surgical procedures were performed in the last year by:

Employed physicians _____ Outside Surgeons _____ Interns _____ Residents _____

b. Are sponge, needle and instrument counts performed in the course of a surgical procedure? Yes No

If yes, at what intervals of the operation? _____

c. Are any of the following performed at your facility?

Neurosurgery	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Experimental surgery	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Sex change operations	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Weight reduction surgery	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Laser assisted surgery	<input type="checkbox"/> Yes	<input type="checkbox"/> No

d. Are "scope" surgical procedures routinely videotaped? Yes No

8. Pharmacy

a. Does the facility utilize the unit dose system of dispensing medicine? Yes No

b. Is the pharmacy for patient use only? Yes No

If no, annual receipts for non-patients medications are \$_____

c. Is the pharmacy staffed by a contract group? Yes No

If yes, please explain: _____

9. Contracted Services

a. Are any of these services contracted out? Yes No

If yes, please explain:

Commercial General Liability Exposure

1.	<u>Location</u>	<u>Area</u>	<u>Age</u>	<u>Type of Constr.</u>	<u># of Floors</u>	<u>Type of Fire Protection</u> <i>(use key below)</i>
	_____	_____	_____	_____	_____	_____
	_____	_____	_____	_____	_____	_____
	_____	_____	_____	_____	_____	_____
	Other Buildings					

_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
Parking Lots					
_____	_____	_____	_____	_____	_____
Vacant Lots					
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____

Fire Protection Key

AS = Approved sprinkler
S = Smoke detector

H = Heat detector
A = Automatic alarm

Incidental exposures

- a. Has the hospital planned any new construction and/or abatement for this year? Yes No

If yes, please provide details: _____

- b. Are there elevators or escalators on any premises owned, leased or occupied by the insured? Yes No

If so, how many? 1

- c. Does the hospital have a heliport? Yes No

- d. Does the hospital have an ambulance or other emergency use vehicles? Yes No

- e. List the number and type of owned or leased vehicles: _____

- f. List all owned, leased and non-owned watercraft: _____

- g. List all owned, leased or chartered aircraft: _____

3. Hold Harmless and Indemnification Agreements

- a. Has the hospital agreed to hold harmless or indemnify others under contract? Yes No

- b. Does the hospital rent or lease any equipment from others? Yes No

If a. or b. is yes, please explain: _____

Risk Management

a. Who coordinates your risk management program?

Name: _____ Title: _____

Telephone: _

b. Is there a written, risk management program that has been approved by a governing body? Yes No

c. Does the governing body review the effectiveness of the program and approve necessary changes? Yes No

d. Is the risk manager accountable and solely responsible for risk management? Yes No

If no, explain other responsibilities: _____

Does the risk management program include the following:

- | | | |
|--|------------------------------|-----------------------------|
| Occurrence reporting | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| Claim management | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| Formal link to quality management | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| Safety program and safety committee | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| Review and participation in medical staff committees | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| Contract review and evaluation | <input type="checkbox"/> Yes | <input type="checkbox"/> No |

The information requested is mandatory before a quotation can be promulgated.

THIS FORM MUST BE COMPLETED BY A PRINCIPAL OF YOUR FACILITY. THE APPLICANT REPRESENTS THE ABOVE STATEMENTS AND FACTS ARE TRUE AND THAT NO MATERIAL FACTS HAVE BEEN SUPPRESSED OR MISSTATED. COMPLETION OF THIS FORM DOES NOT BIND COVERAGE. APPLICANT’S ACCEPTANCE OF COMPANY’S QUOTATION IS REQUIRED BEFORE APPLICANT MAY BE BOUND AND A POLICY ISSUED.

THE HOSPITAL AGREES TO COOPERATE WITH THE COMPANY IN IMPLEMENTING AN ONGOING PROGRAM OF LOSS-CONTROL AND WILL ALLOW THE COMPANY TO REVIEW AND MONITOR SUCH PROGRAMS THAT THE HOSPITAL UNDERTAKES IN MANAGING ITS MEDICAL PROFESSIONAL EXPOSURES.

Signature of Applicant: _____

Time: _____

Date: _____

Signature of Producer: _____

License #: _____

Date: _____

PHYSICIANS AND SURGEONS CLASSIFICATION SUPPLEMENT

RATING

CLASS

CLASSIFICATION

1	Aerospace Medicine
1	Allergy
5	Anesthesiology
3	Broncho – Esophagology
2	Cardiovascular Disease – assisting in surgery
1	Cardiovascular Disease – no surgery
2	Dermatology - assisting in surgery
1	Dermatology - no surgery
2	Diabetes – assisting in surgery
1	Diabetes - no surgery
5	Emergency Medicine – including all other surgery
4	Emergency Medicine - no surgery
2	Endocrinology – assisting in surgery
1	Endocrinology – no surgery
2	Family or General Practitioner - assisting in surgery – no OB
3	Family or General Practitioner – including obstetrical procedures (excluding Caesarean Sections)
1	Family or General Practitioner – no surgery
1	Forensic Medicine
2	Gastroenterology – assisting in surgery
1	Gastroenterology - no surgery
1	General Preventive Medicine – no surgery
2	Geriatrics– assisting in surgery
1	Geriatrics - no surgery
1	Gynecology- no surgery
2	Gynecology- no surgery except D & C's – local anesthesia
2	Hematology– assisting in surgery
1	Hematology- no surgery
1	Hypnosis
2	Infectious Disease– assisting in surgery
1	Infectious Disease- no surgery
2	Intensive Care Medicine
2	Internal Medicine – all invasive procedures
2	Internal Medicine– assisting in surgery
1	Internal Medicine- no surgery
2	Laryngology– assisting in surgery
1	Laryngology- no surgery
1	Legal Medicine
2	Neonatal- no surgery
2	Neoplastic Disease– assisting in surgery
1	Neoplastic Disease- no surgery
2	Nephralogy – assisting in surgery
1	Nephralogy - no surgery
2	Neurology– including child – assisting in surgery
1	Neurology– including child – no surgery
1	Nuclear Medicine
1	Nutrition
1	Occupational Medicine
1	Oncology – no surgery
2	Ophthalmology– assisting in surgery
1	Ophthalmology– no surgery
1	Orthopedics– no surgery
2	Orthopedics – no surgery – including closed fractures
2	Otology– assisting in surgery
1	Otology– no surgery

RATING

CLASS

CLASSIFICATION

2	Otorhinolaryngology – assisting in surgery
1	Otorhinolaryngology– no surgery
2	Pathology– assisting in surgery
1	Pathology– no surgery
2	Pediatrics– assisting in surgery
1	Pediatrics– no surgery
7	Perinatology
1	Pharmacology – clinical
1	Psychiatry
1	Physical Medicine and Rehabilitation
2	Physicians– assisting in surgery (N.O.C.)
2	Physicians– no major surgery – all invasive procedures
1	Physicians– no surgery (N.O.C.)
1	Psychiatry – including child
3	Psychiatry – including shock therapy
1	Psychoanalysis
1	Psychosomatic Medicine
1	Public Health
1	Pulmonary Disease– no surgery
2	Radiology – all invasive procedures
1	Radiology – no invasive procedures
1	Rheumatology – no surgery
2	Rhinology– assisting in surgery
1	Rhinology– no surgery
5	Surgery – Abdominal
6	Surgery – Cardiac
6	Surgery – Cardiovascular Disease
3	Surgery – Colon and Rectal
5	Surgery – Dermatology
3	Surgery – Endocrinology
3	Surgery – Gastroenterology
5	Surgery – General (N.O.C.)
4	Surgery – Family or General Practice
3	Surgery – Geriatrics
5	Surgery – Gynecology
5	Surgery – Hand
5	Surgery – Head and Neck
5	Surgery – Laryngology
3	Surgery – Neoplastic
3	Surgery – Nephrology
8	Surgery – Neurology – Including child
7	Surgery – Obstetrics
7	Surgery – Obstetrics – Gynecology
3	Surgery – Ophthalmology
6	Surgery – Orthopedic
5	Surgery – Otology
5	Surgery – Otorhinolaryngology
5	Surgery – Pediatric or Neonatal
5	Surgery – Plastic (N.O.C.)
5	Surgery – Plastic - Otorhinolaryngology
5	Surgery – Rhinology
6	Surgery – Thoracic
6	Surgery – Traumatic
3	Surgery – Urological
6	Surgery - Vascular
3	Urgent Care Physician – no surgery