

# **REVISED**

## **A G E N D A** **REGULAR JOINT MEETING OF** **THE BOARD OF DIRECTORS,** **THE EXECUTIVE COMMITTEE AND THE USER COMMITTEE** **TUESDAY, JUNE 19, 2018, 2:00 PM** **SOUTH BAY REGIONAL PUBLIC COMMUNICATIONS AUTHORITY** **4440 W. BROADWAY, HAWTHORNE, CA**

1. **CALL TO ORDER**

2. **PUBLIC DISCUSSION**

3. **ACTION ITEMS**

3a. Approve Minutes of Special Meeting – May 30, 2018

3b. Resolution of the Board of Directors of the South Bay Regional Public Communications Authority Adopting the Budget for Fiscal Year 2018-2019

3c. Approve Fiscal Year 2018/19 Blanket Purchase Orders for Supplies and Services in a Total Amount Not To Exceed \$314,179.34; and

Approve the Renewal of a Maintenance Contract Related to Computer Aided Dispatch Server Infrastructure with Netmotion Software in the Amount of \$30,755.34; and

Approve the Renewal of a Maintenance Contract Related to Web Based Scheduling Software with Informer Systems in the Amount of \$8,424.00

3d. Authorize the Executive Director to Bind and Approve Purchase Orders for FY 2018/19 Insurance Policies Proposed by Brown & Brown Insurance Services of California, Inc. in an Amount Not to Exceed \$326,991.35 for Insurance Necessary to Fully Protect the Authority and Its Member Agencies

3e. Authorize the Executive Director to Explore the Benefit of Purchasing Cyber Liability Insurance with the Member Cities' Risk Managers; and

Authorize the Executive Director to Bind and Approve a Purchase Order for a FY2018/19 Cyber Liability Insurance Policy Proposed by Brown & Brown Insurance Services of California, Inc. in an Amount Not To Exceed \$10,000

4. **INFORMATION ITEMS**

5. **EXECUTIVE DIRECTOR'S REPORT**

6. **BOARD OF DIRECTORS', EXECUTIVE COMMITTEE AND USER COMMITTEE COMMENTS**

7. **CLOSED SESSION**

Conference Re: Labor Negotiations  
Pursuant to Government Code Section 54957.6 (Discussion with Liebert Cassidy  
Whitmore Re: Communications Workers of America)

Conference Re: Labor Negotiations  
Pursuant to Government Code Section 54957.6 (Discussion with Liebert Cassidy  
Whitmore Re: Teamsters Local 9-1-1)

8. **ADJOURNMENT**

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Posting Place: 4440 W. Broadway, Hawthorne, CA 90250

Posting Date/Time: June 18, 2018/9:30 AM

Signature:



Erick Lee, Executive Director



# Staff Report

## South Bay Regional Public Communications Authority

**MEETING DATE:** June 19, 2018

**ITEM NUMBER:** 3b

**TO:** Executive Committee

**FROM:** Erick Lee, Executive Director

**SUBJECT:** RESOLUTION OF THE BOARD OF DIRECTORS OF THE SOUTH BAY REGIONAL PUBLIC COMMUNICATIONS AUTHORITY ADOPTING THE BUDGET FOR FISCAL YEAR 2018-2019

**ATTACHMENT:** 1. Fiscal Year 2018-19 Proposed Budget

### RECOMMENDATION

Staff recommends that the Board of Directors adopt a resolution adopting the budget for Fiscal Year 2018-19.

### FISCAL IMPACT

Revenues are anticipated to exceed expenditures by \$1,097,565 as indicated below:

<b>Estimated Unreserved Fund Balance – June 30, 2018</b>	<b>\$1,733,647</b>
FY 2018/19 Revenues	13,153,727
FY 2018/19 Expenditures	12,056,161
Revenues Over Expenditures	1,097,565
<b>Estimated Unreserved Fund Balance – June 30, 2019</b>	<b>\$2,831,212</b>

<b>Allocation of Estimated Unreserved Fund Balance</b>		
<b>Owner City</b>	<b>June 30, 2018</b>	<b>June 30, 2019</b>
Gardena (32.08%)	\$556,154	\$908,253
Hawthorne (45.07%)	781,355	1,276,027
Manhattan Beach (22.85%)	396,138	646,932
<b>Total</b>	<b>\$1,733,647</b>	<b>\$2,831,212</b>

## **DISCUSSION**

The Authority derives its revenue from four main sources:

1. Owner City Assessments
2. Contract City Assessments
3. Reimbursements from Owner and Contract Cities and Other Revenues
4. Investment Earnings

The Fiscal Year 2018-19 Proposed Budget provides for no owner city assessment increases over the prior year. Additionally, fees for contract cities are established by formulas specified in the agreements with each agency. Given these parameters, staff has developed the following budget which provides for an 8.6% increase in non-grant related revenues and a 5.7% increase in non-grant related expenditures over the prior year's budget.

<b>Revenues</b>	<b>FY 16/17 Actual</b>	<b>FY 17/18 Budget</b>	<b>FY 18/19 Proposed</b>
<b>OWNER CITIES</b>			
Gardena	\$2,391,301	\$2,391,301	\$2,391,301
Hawthorne	3,359,598	3,359,598	3,359,598
Manhattan Beach	1,703,280	1,703,280	1,703,280
<b>Owner Cities Subtotal</b>	<b>\$7,454,179</b>	<b>\$7,454,179</b>	<b>\$7,454,179</b>
<b>CONTRACT CITIES</b>			
Culver City	\$754,266	\$2,360,551	\$2,507,365
El Segundo	1,271,063	1,294,928	1,330,766
Hermosa Beach	671,081	700,072	828,439
<b>Contract Cities Subtotal</b>	<b>\$2,696,410</b>	<b>\$4,355,551</b>	<b>\$4,666,569</b>
Reimbursements/Other Rev.	1,026,110	287,044	975,805
Investment Earnings	20,623	15,000	57,173
UASI 2016 INSB Grant	-	5,000,000	-
<b>Totals</b>	<b>\$11,197,322</b>	<b>\$17,111,774</b>	<b>\$13,153,727</b>

<b>Expenditures</b>	<b>FY 16/17 Actual</b>	<b>FY 17/18 Budget</b>	<b>FY 18/19 Proposed</b>
Salaries & Benefits	\$8,197,966	\$9,314,290	\$9,517,203
Supplies/Svcs/Equip	2,069,419	1,798,484	2,521,458
Capital Outlay	25,433	*5,296,369	17,500
<b>Totals</b>	<b>\$10,292,818</b>	<b>\$16,409,143</b>	<b>\$12,056,161</b>

\* \$5,000,000 of these capital outlay expenses relate to the UASI 2016 Grant for the INSB project.

<b>Summary</b>	<b>FY 16/17 Actual</b>	<b>FY 17/18 Budget</b>	<b>FY 18/19 Proposed</b>
Revenues Over Expenditures	\$904,504	\$702,631	\$1,097,565

### Changes from Prior Year

Significant changes from the prior year's budget include:

- \$5,000,000 decrease in grant revenues and capital expenditures related to the UASI 2016 grant for the INSB project.
- \$567,397 increase in revenues and expenditures related to vehicle parts to better align expenditures with actual reimbursement revenues.

- \$217,966 increase in salaries.
- \$140,590 increase in revenues and \$102,766 increase in expenditures related to software maintenance to better align expenditures with actual reimbursement revenues.
- \$123,532 increase in PERS contributions.
- \$50,840 increase in recruitment expenditures related to additional costs necessary to enhance recruitment efforts and conduct background checks on an increased number of applicants.
- \$50,000 for general consulting services to conduct a cost of services and allocation study.
- \$11,500 to develop a new website.

#### Work Plans for Fiscal Year 2018-19

Some of the notable work plans staff anticipates accomplishing in Fiscal Year 2018-19 include:

- *INSB Network*
  - Active participation in the development and implementation of the network, with anticipated go-live in the Q2 for fire services and the Q3 for police services.
  - Submittal of reimbursement requests to the City of Los Angeles as appropriate.
  - Coordination of funding allocations from agencies and completion of the mobile and portable radio purchase with Motorola by November 1, 2018.
- *Mark 43 CAD/RMS Project*
  - Active participation in development of police and fire aspects of the CAD system, with anticipated go-live in Fiscal Year 2019-20.
- *Cost of Service and Allocation Study*
  - Engage a consultant to review and refine the Authority's cost allocation methodology for owner and contract cities.
- *Review and Update of Authority's Governance Documents and Policies*
  - Work with the Executive Committee to identify and implement changes to the Authority's bylaws and other policy-related documents.
- *City of Redondo Beach's Request for Quote re: Consolidation of Dispatch Services*
  - Develop a quote for contract services.
- *FirstNet Implementation in the South Bay*
  - Monitor the federal government's progress in developing the First Responder Network Authority (FirstNet) and provide updates and recommendations to the Executive and User Committees on its implementation in the South Bay region.

Summary

The Fiscal Year 2018-19 Proposed Budget continues to fund the Authority's goal of providing an outstanding level of service to the communities it serves. The attached document details staff's recommended use of budgeted funds along with descriptions of the Authority's programs, associated work plan objectives, and performance measure data.

**LEGAL REVIEW:**

None.




# Staff Report

## South Bay Regional Public Communications Authority

**MEETING DATE:** June 19, 2018

**ITEM NUMBER:** 3c

**TO:** Executive Committee 

**FROM:** Erick Lee, Executive Director

**SUBJECT:** APPROVE FISCAL YEAR 2018/19 BLANKET PURCHASE ORDERS FOR SUPPLIES AND SERVICES IN A TOTAL AMOUNT NOT TO EXCEED \$314,179.34; AND

APPROVE THE RENEWAL OF A MAINTENANCE CONTRACT RELATED TO COMPUTER AIDED DISPATCH SERVER INFRASTRUCTURE WITH NETMOTION SOFTWARE IN THE AMOUNT OF \$30,755.34; AND

APPROVE THE RENEWAL OF A MAINTENANCE CONTRACT RELATED TO WEB BASED SCHEDULING SOFTWARE WITH INFORMER SYSTEMS IN THE AMOUNT OF \$8,424.00

**ATTACHMENT:** None

### **RECOMMENDATION**

Staff recommends that the Executive Committee approve fiscal year 2018/19 blanket purchase orders for supplies and services in a total amount not to exceed \$314,179.34, approve the renewal of a maintenance contract related to computer aided dispatch server infrastructure with Netmotion Software in the amount of \$30,755.34, and approve the renewal of a maintenance contract with Informer Systems related to web based scheduling software in the amount of \$8,424.00.

### **BACKGROUND**

In FY2018/19, staff plans to issue blanket purchase orders (BPOs) to vendors that provide goods and services to the Authority throughout the fiscal year on an as-needed basis. The costs associated with each of these purchases exceed \$5,000 and therefore require approval of the Executive Committee, per Resolution 259 adopted on October 16, 2007. This report is a request for the Executive Committee to review the supplies and services provided by various vendors and authorize corresponding BPOs as

described. Also included are requests for the approval of maintenance contracts with Netmotion Software and Informer Systems.

## **DISCUSSION**

Staff plans to begin the use of blanket purchase orders in FY2018/19 for the following reasons:

- Issuing vendors one purchase order rather than several increases organizational efficiency;
- Issuing BPOs reduces delays in obtaining necessary goods or services. While the price for goods and services is a concern, it is never the sole determining factor in making a purchasing decision. Other important considerations include:
  - Reliability of a product
  - Ability of a vendor to continue to provide specific goods or services
  - Current use of and/or compatibility of systems with a specific brand of product
  - Timely availability, quality, and location (if some items are to be picked up by staff)
  - Vendor performance

The total benefit to the Authority and its member and contract agencies is the most important consideration in purchasing decisions. The initial cost is a factor in the equation, but the net cost over the life of the product or service is of greater value.

## **Requested Blanket Purchase Orders and Agreements**

### **Request #1**

Vendor: Havis, Inc.

Purchase Order Amount Not to Exceed: \$45,000.00

Havis, Inc. (Havis) is a manufacturer of mobile workspace solutions for public safety and public works vehicles. Their products include laptops, tablets, docking stations, cradles, prisoner transport accessories, and K9 transportation equipment. Havis provides a wide variety of safe, secure, and up-to-date mobile mounting solutions, which are used for upfitting the Authority's member and contract agencies' public safety vehicles. The Authority is an authorized reseller for Havis, Inc. and receives a 37% discount off of all Havis parts. These discounts are passed along to owner and contract cities alike.

### **Request #2**

Vendor: Whelen Engineering Company

Purchase Order Amount Not to Exceed: \$10,000.00

Whelen Engineering Company (Whelen) is an industry leader in the manufacturing of emergency lighting and siren equipment. Whelen is one of two vendors used by the Authority as its source for this type of equipment, which is used for upfitting its member and contract agencies' public safety vehicles. The



vendor provides lighting and siren equipment that meets or exceeds both state and federal laws. The Authority is an authorized reseller for Whelen and receives a 40% discount off all of Whelen parts.

**Request #3**

Vendor: Federal Signal Corporation

Purchase Order Amount Not to Exceed: \$125,000.00

Federal Signal Corporation (Federal Signal) is an industry leader in the manufacturing of emergency lighting and siren equipment. Federal Signal is one of two vendors used by the Authority as its source for this type of equipment, which is used for upfitting its member and contract agencies' public safety vehicles. The vendor provides lighting and siren equipment that meets or exceeds both state and federal laws. Federal Signal provides a law enforcement agency discount to the Authority that ranges between 25% and 47%, depending on the item.

**Request #4**

Vendor: Setina Manufacturing Corporation

Purchase Order Amount Not to Exceed: \$60,000.00

Setina Manufacturing Corporation (Setina) provides equipment for upfitting both the exterior and interior of law enforcement vehicles. Typical items purchased by the Authority from this vendor include push bumpers, fender guards, prisoner transport equipment, mounting equipment, firearms securing systems, and a large variety of modular cargo storage systems designed to meet the needs of specific vehicle configurations. The Authority is an authorized reseller for Setina and receives a 30% discount off the list price on all items.

**Request #5**

Vendor: Laguna Manufacturing Corporation

Purchase Order Amount Not to Exceed: \$20,000.00

Laguna Manufacturing Corporation (Laguna) is an additional vendor that provides prisoner transport solutions, including transport seats and seat belts certified to meet federal Department of Transportation and Motor Vehicle Safety Standards. Equipment purchased from this vendor is used for upfitting the Authority's member and contract agencies' public safety vehicles. The Authority is an authorized distributor for Laguna and receives a 40% discount off the list price on all items.

**Request #6**

Vendor: Talley, Inc.

Purchase Order Amount Not to Exceed: \$15,000.00

Talley Inc. is a leader in the communications field, supplying wireless infrastructure and mobile materials to public safety agencies nationwide. The vendor sources materials from over 300 manufacturers and maintains a wide variety of items in stock at numerous distribution centers to ensure parts are

readily available. Equipment purchased from this vendor is used for upfitting the Authority's member and contract agencies' public safety vehicles.

**Request #7**

Vendor: Netmotion Software

Maintenance Contract Amount: \$30,755.34

Purchase Order Amount Not to Exceed: \$30,755.34

Netmotion Software allows the Authority's mobile data computers (MDCs) to communicate with the Computer Aided Dispatch (CAD) server infrastructure. The software also ensures data communications are encrypted to meet Department of Justice (DOJ) requirements. Netmotion is a leading provider of mobile performance and mobile analytics solutions. The vendor is a trusted first responder mobile solution and has been deployed by more than 80% of state law enforcement agencies and 70% of the nation's largest local police and sheriff departments. The Authority has utilized this software to facilitate and secure MDC communications since 2012. The request would extend the Authority's maintenance agreement for two years. Costs incurred in FY2018/19 total \$30,755.34 and will cover the next two years.

**Request #8**

Vendor: Informer Systems

Maintenance Contract Amount: \$8,424

Purchase Order Amount Not to Exceed: \$8,424

Informer Systems, otherwise known as Schedule Express, is the web based scheduling system the Authority has utilized since 2012. The system handles the complex scheduling needs of the communications center's employees, helps to ensure the maintenance of minimum staffing levels, and provides real-time schedule changes and notifications to end-users electronically.

**FISCAL IMPACT**

Funds for each of the above requested BPOs, which total \$314,179.34, are included in the Fiscal Year 2018-19 Proposed Budget. Additionally, all costs associated with the upfitting of vehicles are 100% reimbursable by the member or contract agencies requesting the service.



# Staff Report

## South Bay Regional Public Communications Authority

**MEETING DATE:** June 19, 2018

**ITEM NUMBER:** 3d

**TO:** Executive Committee

**FROM:** Erick Lee, Executive Director

**SUBJECT:** AUTHORIZE THE EXECUTIVE DIRECTOR TO BIND AND APPROVE PURCHASE ORDERS FOR FY2018/19 INSURANCE POLICIES PROPOSED BY BROWN & BROWN INSURANCE SERVICES OF CALIFORNIA, INC. IN AN AMOUNT NOT TO EXCEED \$326,991.35 FOR INSURANCE NECESSARY TO FULLY PROTECT THE AUTHORITY AND ITS MEMBER AGENCIES

**ATTACHMENTS:** 1. Commercial Insurance Proposal

### **RECOMMENDATION**

Staff recommends that the Executive Committee authorize the Executive Director to bind and approve purchase orders for FY2018/19 insurance policies as proposed by Brown & Brown Insurance Services of California, Inc. in an amount not to exceed \$326,991.35 for insurance necessary to fully protect the Authority and its member agencies.

### **BACKGROUND**

The Authority's By-laws provide the Executive Committee with the powers and duties to purchase, and maintain in force, public liability insurance for the Authority and its officers, agents and employees. The By-laws also require the Authority to obtain and maintain workers' compensation insurance, liability insurance, and other such insurance as deemed necessary by the Executive Committee to fully protect the Authority and each of the member agencies.

Historically, the Authority has utilized the services of Brown & Brown Insurance Services of California, Inc. (Brown & Brown) for all of its insurance needs. Brown & Brown is among the top 10 largest insurance brokers worldwide and provides a variety of insurance products and services to corporate, institutional, professional and individual clients. The company is publicly traded on the New York Stock Exchange (BRO) and has been included in Forbes' list of the "200 Best Small Companies in America." Brown & Brown

handles clients' premiums in excess of \$10 billion annually and has approximately 6,500 employees.

## **DISCUSSION**

Over the past few years, the Authority has maintained the following types and levels of insurance:

- Commercial Property (includes inland marine and crime)
- General Liability and Professional Liability (\$1,000,000)
- Commercial Auto (\$1,000,000)
- Workers' Compensation (\$1,000,000)
- Directors & Officers Liability and Employment Practices Liability (\$1,000,000)
- Commercial Excess Liability (\$4,000,000)

Brown & Brown's process for annual renewals typically involves a combination of benchmarking and marketing efforts by insurance line depending on current circumstances. Volatility and cost considerations are analyzed to determine which lines are benchmarked and which are given an extensive marketing effort.

This year, the workers' compensation insurance was given the comprehensive marketing treatment due to premium costs and the possibility of the Authority moving from State Fund to a carrier that may offer a better overall product and services. Over two (2) dozen carriers were approached to review and quote this line. At the time that this report was written, the Authority is still waiting for one additional insurance carrier to provide a quote for workers' compensation insurance. Unless that carrier comes in with a meaningful offer by the end of June 2018, State Fund will still be Brown & Brown's recommendation for the renewal.

The Authority's remaining lines of insurance were benchmarked this year. This typically involves letting incumbent carriers provide their renewal terms before deciding if going out to market for a quote is an appropriate move. Brown & Brown reviews the renewal terms provided by incumbents to determine if they are in-line with expiring premiums/coverages and mirror what is currently being observed in the marketplace overall. In such cases, Brown & Brown does not market the account.

The purpose for not marketing some lines of insurance annually is to avoid underwriting fatigue. For example, if a company has quoted the Authority's business for five (5) years in a row and has not won the account, an underwriter may not have any real interest in putting forth a meaningful effort to quote in the 6<sup>th</sup> year. By strategically not marketing specific lines, the broker ensures that carriers do not develop a fatigued/negative view of the account and that the Authority maintains a strong position in the marketplace when it does need the industry to perform (i.e. coming off a non-renewal or significant rate increase due to change in appetite and/or claims). That said, in any circumstance where the lines are benchmarked and the incumbent comes in with renewal terms Brown & Brown determines are off-base, they immediately move to market the account extensively. In addition, each line gets marketed every three (3) years regardless of incumbent performance.

During the spring of 2018, Brown & Brown obtained new quotes for the Authority's workers' compensation insurance and conducted benchmark surveys for its other insurance lines. A summary of the insurance premiums that have been submitted for the Executive Committee's review and consideration for FY2018/19 are as follows:

# Premium Comparison & Summary

## Premiums as proposed:

Line of Coverage	2017/2018 Expiring Premiums	2018/2019 Renewal Premiums
Property/Inland Marine/Crime	\$ 11,203.00	\$ 11,459.00
Sched. Misc. Articles	\$ 9,152.00 <sup>1</sup>	\$ 18,452.00
General Liab./Professional Liab.*	\$ 53,500.00	\$ 53,000.00
Auto	\$ 8,482.00	\$ 8,547.00
Workers' Compensation	\$170,019.00 <sup>2</sup>	\$160,090.00
Directors & Officers/Employment Practices*	\$ 21,900.00	\$ 21,960.00
Excess Liability*	\$ 49,261.00	\$ 49,261.00
Surplus Lines Taxes and Fees*	\$ 3,288.35	\$ 3,272.35
D&O Wholesaler's Advisor Fee*	\$ 200.00	\$ 200.00
Wholesaler's Broker Fee*	\$ 750.00	\$ 750.00
<b>Total</b>	<b>\$327,755.35</b>	<b>\$326,991.35</b>

<sup>1</sup>Premium from 01/01/2018 – 07/01/2018

<sup>2</sup>Includes an outstanding mo. installment of \$12,526.25

As indicated in the table above, the costs for the Authority's overall insurance needs have been reduced by \$764 (0.23%). At the time that this report was written, the Authority is still waiting for one additional insurance carrier to provide a quote for workers' compensation insurance. If this quote results in a decrease in premiums that is significant enough to warrant moving the policy away from the current carrier, as recommended by Brown & Brown, then the Authority's annual insurance costs could potentially decrease further.

## **FISCAL IMPACT**

Funds for the premiums for the proposed insurance policies are available in the recommended FY18/19 budget (Accounts #5207/Workers' Compensation Insurance and #5513/General Liability Insurance).



## Insurance Proposal Submitted For:

### South Bay Regional Public Communications Authority



## Commercial Insurance

**Policy Term:**

**July 01, 2018 to July 01, 2019**

**Submitted by:  
Scott Murphy  
Senior Vice President**



# Commercial Insurance Proposal



Brown & Brown Insurance Services of CA, Inc. • 2401 E. Katella Ave., Suite 550, Anaheim, CA 92806 • (800) 228-7975

Thank you for inviting us to develop and present a Risk Solution Program to you. We welcome the opportunity to become involved with your company. We have worked to identify your needs and concerns, and to develop a program for your insurance. Brown & Brown, Inc. is among the top 10 largest insurance brokers worldwide.<sup>1</sup> The company provides a variety of insurance products and services to corporate, institutional, professional and individual clients. Headquartered in Daytona Beach and Tampa, Florida, Brown & Brown is publicly traded on the New York Stock Exchange (NYSE) and has been included in Forbes' list of the "200 Best Small Companies in America". The company handles clients' premiums in excess of \$10 Billion annually and has approximately 6,500 employees.

While size is not the sole criteria for choosing an insurance agent, it does enable us to offer our clients clout in the marketplace and unmatched service capability.

Please feel free to visit our website at [www.bbinsurance.com](http://www.bbinsurance.com).

*This brief description of insurance coverage is being provided as an accommodation only and is not intended to cover or describe all policy terms. In the event of difference, the policy will prevail. For more complete information on the scope and limits of coverage please refer to the policy document.*

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<sup>1</sup> As listed in Business Insurance magazine, July 2016 edition





## Account Service Team

No matter how comprehensive or price competitive your insurance program is, it is still people who must service it to insure that coverage will respond when needed.

### Scott Murphy

#### Account Executive

Phone: (714)221-1829  
Fax: (714) 221-4196  
smurphy@bbsocal.com

Scott Murphy is responsible for overseeing all aspects of your program.

### Peggy Coleman

#### Account Manager

Phone: (714)221-1883  
Fax: (714) 221-4196  
pcoleman@bbsocal.com

Peggy Coleman will assist with the daily servicing of your account, including endorsements, certificate requests, client services, program design, accounting, quality assurance and market relationships.

**Feel free to contact anyone on this list if you have questions or concerns regarding your insurance policy.**







## IMPORTANT NOTICE DISCLAIMER

**Disclaimer:** This proposal presented is based upon the exposures to loss made known to the agency. Any changes in these exposures (i.e. new operations, new products, additional state of hire, etc.) need to be promptly reported to our agency in order that proper coverage(s) may be put in place.

The proposal contains only a general description of the coverage(s) and does not constitute a policy / contract. This brief description of insurance coverage is being provided as an accommodation only and is not intended to cover or describe all policy terms. For more complete information on the scope and limits of coverage, please refer to the policy document.

The proposal includes, but is not limited to, the terms, exclusions and conditions listed. For complete policy information, including exclusions, limitations and conditions, refer to the policy document.

Non-Admitted Carrier

Taxes: See Prem Summary

Fees: See Prem Summary

Minimum Earned Premium: 25 %

**Early termination of coverage may result in a short rate penalty.**

**Higher Limits may be available upon request ▼ Premiums may be subject to audit  
Premiums exclude Terrorism Coverage**

*Please read your policy for specific details.*



# Commercial Insurance Proposal



Brown & Brown Insurance Services of CA, Inc. • 2401 E. Katella Ave., Suite 550, Anaheim, CA 92806 • (800) 228-7975

## A.M. Best Rating of Proposed Carriers

Policy Type	Carrier	Rating
Property/Inland Marine/Crime/Auto	Federal Insurance Co. (Chubb)	"A++"(XV) Admitted
General Liability & Professional Liability	Landmark American Insurance Co.	"A+"(XIV) Non-Admitted
Workers' Compensation	State Compensation Insurance Fund	Not Rated
Directors & Officers and Employment Practices Liability	RSUI Indemnity Company	"A+"(XIV) Admitted
Excess Liability	Hallmark Specialty Insurance Co.	"A-"(VIII) Non-Admitted

The information obtained from A.M. Best's Rating is not in any way a warranty or guaranty by Brown & Brown, Inc. of the financial stability of the insurer and this information is current only as of the date of publication.

### General Rating:

These rating classifications reflect BEST's opinion of the relative position of each company in comparison with others, based upon averages within the Property-Casualty insurance industry. They are reflective of overall company services and standing within the industry.

A++, A+	Superior	B++, B+	Good	C++, C+	Marginal
A, A-	Excellent	B, B-	Fair	C, C-	Weak

### Financial Size Category:

The financial Size Category is an indication of the size of an Insurer and is based on reported Policyholders' surplus plus conditional or Technical Reserve Funds, such as mandatory securities valuation reserve, other investment and operating contingency funds and/or miscellaneous voluntary reserves in liabilities.

Financial Size Category (in Thousands)	
Class I	Up to \$1,000
Class II	\$1,000 to \$2,000
Class III	\$2,000 to \$5,000
Class IV	\$5,000 to \$10,000
Class V	\$10,000 to \$25,000
Class VI	\$25,000 to \$50,000
Class VII	\$50,000 to \$100,000
Class VIII	\$100,000 to \$250,000
Class IX	\$250,000 to \$500,000
Class X	\$500,000 to \$750,000
Class XI	\$750,000 to \$1,000,000
Class XII	\$1,000,000 to \$1,250,000
Class XIII	\$1,250,000 to \$1,500,000
Class XIV	\$1,500,000 to \$1,750,000
Class XV	\$1,750,000 to \$2,000,000

This information has been provided to you so that consideration is given to the financial condition of our proposed carriers. The financial information disclosed is the most recent available to Brown & Brown Insurance Services of CA, Inc. Brown & Brown does not guarantee financial condition of the insurers listed above.



This proposal is for illustration purposes only. Please refer to the policy for actual terms/conditions. Coverage cannot be considered bound until a binder has been received.

June 12, 2018



## Claims Reporting Guidelines

Make Brown & Brown, Inc. aware of any and all incidents *immediately* after they occur, whether it be an auto accident, a theft, slip & fall, even a minor incident that appears will have no future activity. Do not wait for a police report.

Gather as much concrete information as possible. For example, police reports, company incident reports, conversation logs, medicals and pictures - anything that may assist in the handling of your claim. Send this information either by mail, e-mail or fax to:

**Brown & Brown Insurance Services of CA, Inc.**

2401 E. Katella., Suite 550,  
Anaheim, CA 92806  
(714)221-1883  
(714) 221-4196 fax  
pcoleman@bbsocal.com

**If you have any questions or incur any problems, please call our office and we will be glad to assist in any way we can.**





## What is an Audit?

Policies which use fluctuating values as the exposure basis, i.e.: payroll or sales are subject to an audit. The company may visit your business to examine your records or ask you to complete a voluntary "mail in" audit. If at the time of the audit your exposures are different from what you estimated at the time your policy was written, you will receive a return premium credit or an additional premium billing.

If you subcontract any work, it is essential that the subcontractor provide you with a Certificate of Insurance indicating that insurance coverage is in place for General Liability, Workers Compensation, and Automobile Liability. If at the time of audit you do not have evidence of insurance from your subcontractors, you will be charged an additional premium for the payroll of the subcontractor on your policies. We recommend you require subcontractors to carry insurance via a contract.

Audits that generate an additional premium are due upon receipt. It is important that you review audits as soon as you receive them and advise us of any discrepancies in the exposures immediately so that we may inform the insurance carrier. If payment of the audit is not received by the insurance company on a timely basis, your coverage may be canceled and could adversely affect the future placement of insurance coverage.

We recommend that you review the actual exposures as compared to your estimated exposures quarterly and advise us of any significant variance.





## Understanding the Claims Made Policy

### What is a Claims-Made Policy?

The claims-made insurance policy provides financial protection for all claims presented during the current policy year, providing the claim occurred after the prior acts date.

To understand the claims-made policy, we will define:

### Current Policy Year:

The policy year begins on the effective date shown on the policy and expires on the expiration date also shown on the policy. The policy's effective and expiration dates change with yearly renewal of the policy. The "prior acts" or "retroactive date" remains the same, so you are protected for incidents that occurred in prior years by the current policy.

### Prior Acts or Retroactive Date:

This is the date (shown on your policy) that dictates if a claim is eligible to be covered. Any claims occurring after this date, presented during the current policy year, are eligible for coverage by your current policy.

### Supplemental Extended Reporting Period (Tail coverage):

Should the policy be cancelled or non-renewed, you may be entitled to purchase insurance protection for any claim which may be after the cancellation date. The premium which is charged for this insurance is based upon the number of years you have been insured (prior acts years) and the limits purchased.





## Important Information

**Compensation:** In addition to the commissions or fees received by us for assistance with the placement, servicing, claims handling, or renewal of your insurance coverages, other parties, such as excess and surplus lines brokers, wholesale brokers, reinsurance intermediaries, underwriting managers and similar parties, some of which may be owned in whole or in part by Brown & Brown, Inc., may also receive compensation for their role in providing insurance products or services to you pursuant to their separate contracts with insurance or reinsurance carriers. That compensation is derived from your premium payments. Additionally, it is possible that we, or our corporate parents or affiliates, may receive contingent payments or allowances from insurers based on factors which are not client-specific, such as the performance and/or size of an overall book of business produced with an insurer. We generally do not know if such a contingent payment will be made by a particular insurer, or the amount of any such contingent payments, until the underwriting year is closed. That compensation is partially derived from your premium dollars, after being combined (or "pooled") with the premium dollars of other insureds that have purchased similar types of coverage. We may also receive invitations to programs sponsored and paid for by insurance carriers to inform brokers regarding their products and services, including possible participation in company-sponsored events such as trips, seminars, and advisory council meetings, based upon the total volume of business placed with the carrier you select. We may, on occasion, receive loans or credit from insurance companies. Additionally, in the ordinary course of our business, we may receive and retain interest on premiums you pay from the date we receive them until the date the premiums are remitted to the insurance company or intermediary. In the event that we assist with placement and other details of arranging for the financing of your insurance premium, we may also receive a fee from the premium finance company.

**Questions and Information Requests:** Should you have any questions, or require additional information, please contact this office at 1-800-228-7975 or, if you prefer, submit your question or request online at [www.bbsocal.com](http://www.bbsocal.com)

This proposal contains only a general description of the coverage(s) and does not constitute a policy/contract. For complete policy information, including exclusions, limitations, and conditions, refer to the policy document. This proposal is based upon the exposures to loss made known to the Agency. Any changes in these exposures (i.e., new operations, new products, additional states of hire, etc.) need to be promptly reported to us in order that proper coverage(s) may be put into place.



# Commercial Insurance Proposal



Brown & Brown Insurance Services of CA, Inc. • 2401 E. Katella Ave., Suite 550, Anaheim, CA 92806 • (800) 228-7975

## Wholesale Broker/Managing General Agent:

D&O/EPL; GL/PL: CRC Swett  
Excess Liab.: Apex

This intermediary  is  is not owned in whole or part by Brown & Brown, Inc., the parent company of Brown & Brown Insurance Services of California, Inc. Brown & Brown entities operate independently and are not required to utilize other companies owned by Brown & Brown, Inc., but routinely do so. In addition to providing access to the insurance company, the Wholesale Insurance Broker/Managing General Agent may provide additional services including, but not limited to: underwriting, loss control, risk placement, coverage review, claims coordination with insurance company; and policy issuance. Compensation paid for those services may be up to 15% of the premium you pay for coverage, and any compensation paid for those services is derived from your premium payment. The Fee, if any, for the Wholesale Insurance Broker's/Managing General Agent's services above is as noted on the Premium Summary page.



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June 12, 2018



## Named Insureds

The following are named insureds on your policies:

**South Bay Regional Public Communications**

Please verify the accuracy of each name on this list and update if needed.







## Location Schedule

Loc #	Bldg. #	Address	Description
1	1	4440 W. Broadway Hawthorne, CA 90250	Dispatch Center
2	1	1700 Punta Pl. Palos Verdes Estate, CA 90274	Radio Antenna/Equip
3	1	514 N. Prospect Redondo Beach, CA 90277	Radio Antenna/Equip
4	1	1718 162 <sup>nd</sup> St., Gardena, CA 90247	Radio Antenna/Equip
5	1	1427 Eighth St., Manhattan Beach, CA 90266	Radio Antenna/Equip
6	1	3516 Grandview Ave., Manhattan Beach, CA 90266	Radio Antenna/Equip
7	1	222 Sepulveda El Segundo, CA 90245	Radio Antenna/Equip
8	1	1301 Hermosa Ave., Hermosa Beach, CA 90254	Radio Antenna/Equip
9	1	324 W. El Segundo Blvd., El Segundo, CA 90245	Radio Antenna/Equip



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## Commercial Property

### Description of Property:

Loc #	Bldg. #	Coverage	Limit	Deductible
1	1	Building	\$5,200,000	\$2,500
1	1	Business Personal Property	\$ 624,001	\$2,500
1	1	Business Income	\$ 886,080	24 hrs.
1	1	Electronic Data Processing	\$2,050,000	\$2,500

### Description of Coverage Proposed:

#### Policy Forms include but are not limited to:

- Building
  - Co-Insurance Applies – 90%
- Personal Property Coverage Form
  - Co-Insurance Applies – 90%
- Business Income Coverage
- Electronic Data Processing
- Any Other Location
  - Personal Property - \$100,000
  - Mobile Communication Property- See Suppl. Dec.
  - Subject to a \$3,500 ded.
- Transmission Premises
  - Each Premises           \$1,195,000
  - Each Occurrence       \$1,195,000
  - Subject to a \$5,000 ded.

***Insured is ultimately responsible for property values selected***

#### Valuation:

- Replacement Cost Coverage

#### Exclusions include but are not limited to:

FLOOD & EQ coverage is NOT afforded under this policy.

Coverage is not provided for Ordinance or Law, Indirect Loss (including Business Income & Extra Expense), or Personal Property to Others.



# Commercial Insurance Proposal



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## Supplementary Declarations

<i>Property Coverages</i>	<i>Limit Of Insurance</i>
<i>ANY OTHER LOCATION</i>	
ACCOUNTS RECEIVABLE	\$ 75,000
BUILDING COMPONENTS	\$ 75,000
ELECTRONIC DATA PROCESSING PROPERTY	\$ 75,000
FINE ARTS	\$ 75,000
PERSONAL PROPERTY	\$ 75,000
RESEARCH AND DEVELOPMENT PROPERTY	\$ 75,000
VALUABLE PAPERS	\$ 75,000
<i>DEBRIS REMOVAL</i>	
PREMISES SHOWN IN THE DECLARATIONS	\$ 500,000
ANY OTHER LOCATION	\$ 50,000
IN TRANSIT	\$ 50,000
TRANSMISSION PREMISES	\$ 100,000
<i>DEFERRED PAYMENTS</i>	\$ 50,000
<i>EXHIBITION, FAIR OR TRADE SHOW</i>	
ELECTRONIC DATA PROCESSING PROPERTY	\$ 75,000
FINE ARTS	\$ 75,000
PERSONAL PROPERTY	\$ 75,000
<i>EXTRA EXPENSE</i>	\$ 250,000
<i>FUNGUS CLEAN-UP OR REMOVAL</i>	\$ 50,000
<i>INSTALLATION</i>	
ANY JOB SITE	\$ 50,000
IN TRANSIT	\$ 50,000
<i>IN TRANSIT</i>	
ACCOUNTS RECEIVABLE	\$ 50,000
BUILDING COMPONENTS	\$ 50,000
ELECTRONIC DATA PROCESSING PROPERTY	\$ 50,000
FINE ARTS	\$ 50,000
PERSONAL PROPERTY	\$ 50,000
VALUABLE PAPERS	\$ 50,000
<i>LEASEHOLD INTEREST – ELECTRONIC DATA PROCESSING EQUIPMENT</i>	\$ 75,000
<i>LEASEHOLD INTEREST – UNDAMAGED TENANT'S IMPROVEMENTS AND BETTEREMENTS AT A TRANSMISSION PREMISES</i>	\$ 25,000
<i>LOSS OF MASTER KEY</i>	\$ 25,000
<i>LOSS PREVENTION EXPENSES</i>	\$ 25,000
<i>MEDIA LIBRARY</i>	\$ 50,000



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June 12, 2018

# Commercial Insurance Proposal



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<b>MOBILE COMMUNICATION PROPERTY (GREATER THAN 1,000 FEET FROM A PREMISES SHOWN IN THE DECLARATIONS )</b>	<b>\$ 25,000</b>
<b>MOBILE EQUIPMENT</b>	<b>\$ 25,000</b>
<b>MONEY &amp; SECURITIES</b>	
ON PREMISES	\$ 25,000
OFF PREMISES	\$ 25,000
<b>POLLUTANT CLEAN-UP OR REMOVAL</b>	<b>\$ 50,000</b>
<b>PREPARATION OF LOSS FEES</b>	<b>\$ 25,000</b>
<b>PROCESSING WATER</b>	<b>\$ 25,000</b>
<b>PUBLIC SAFETY SERVICE CHARGES AT A TRANSMISSION PREMISES</b>	<b>\$ 25,000</b>
<b>TOWERS OR ANTENNAS</b>	<b>\$ 25,000</b>



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## Inland Marine/ Equipment Floater

Description	Limit of Insurance	Deductible
Scheduled Miscellaneous Articles - Per schedule on file w/the carrier	\$5,952,399	\$2,500

### Cause of Loss:

- Special- Covers risks of direct physical loss subject to policy exclusions.

### Valuation:

- Actual Cash Value- Replacement cost of the property minus depreciation and obsolescence.

### Coverages Included:

<i>DEBRIS REMOVAL</i> LIMIT OF INSURANCE	\$ 150,000
<i>FIRE PROTECTIVE EQUIPMENT</i> LIMIT OF INSURANCE	\$ 10,000
<i>INVENTORY OR APPRAISALS</i> LIMIT OF INSURANCE	\$ 25,000
<i>POLLUTANT CLEAN UP OR REMOVAL</i> LIMIT OF INSURANCE	\$ 50,000
<i>FIRE DEPARTMENT SERVICE CHARGES</i> LIMIT OF INSURANCE	\$ 25,000





## What is Co-Insurance?

The co-insurance clause is found in almost every property policy. It states that the insurance company will not pay the full amount of any loss if the covered property is, for whatever reason, covered for less than the required insurable value at the time of loss. Required insurable value equals the value of the covered property at the time of loss multiplied by the coinsurance amount.

### Examples of Co-insurance at 80%:

Building Value	Insurance Carried	Loss	Insurance Pays
\$100,000	\$100,000	\$60,000	\$60,000
\$100,000	\$80,000	\$60,000	\$60,000
\$100,000	\$70,000	\$60,000	\$52,500*

\*Amount carried (70,000) x Loss – Deductible = Recovery Amount  
Amount Required (80,000)





## Crime Coverage

Coverage	Limits	Deductible
Employee Dishonesty- Blanket Form	\$250,000	\$2,500



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## General Liability and Professional Liability

(Professional Liability is Claims Made)

Liability	Limits
General Aggregate	\$1,000,000
Products/ Completed Operations	\$1,000,000
Personal/ Advertising Injury	\$1,000,000
Each Occurrence	\$1,000,000
Fire Damage	\$ 300,000
Medical Expense	\$ 5,000
Professional Liability	\$1,000,000 each claim \$1,000,000 aggregate
Employee Benefits Liability	\$1,000,000 each employee \$3,000,000 aggregate

**Coverage Type:**

- General Liability/Employee Benefits Liability – Occurrence
- Professional Liability - Claims Made
  - o Retroactive Date: 07/01/2014

**Deductible:**

- \$15,000 per claim, including loss adjustment expense.
- Employee Benefits Liability: ;\$1,000 each employee including loss adjustment expense.



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June 12, 2018





## Terms, Conditions and Exclusions included, but not limited to:

- RSG 56001 0903 Additional Exclusions Endorsement
- Additional Insured - Designated Person or Organization
- RSG 55009 0212 Additional Insured Endorsement
- RSG 54002 0903 Additional Locations Endorsement -
- RSG 92062 0416 California - Service Of Suit
- RSG 99019 0117 California Surplus Lines Disclosure Notice
- RSG 51031 0705 Common Policy Conditions
- RSG 54010 0405 Contingent Bodily Injury Property Damage Endorsement - for PL coverage
- RSG 56109 0214 Cross Coverage Exclusion - MPL
- RSG 94016 0916 Deductible Liability Insurance - Comb. Policy - Multiple Ded
- RSG 54065 0308 Employee Benefits Liability Coverage
- RSG 56114 0609 Exclusion - Designated Professional Services
- RSG 54125 0514 Extended Reporting Period Amendatory Endorsement (Multiple Options)
- RSG 54025 0405 Minimum Retained Premium
- Notice of Cancellation Amendatory Endorsement
- RSG 56058 0903 Nuclear Energy Liability Exclusion
- RSG 99022 0415 State Fraud Statement
- RSG 56121 0216 Violation of Consumer Protection Laws Exclusion

Claim Expenses are within the Limits of Liability

Extended Reporting Period Options: 12, 24, or 36 months for an additional premium not to exceed 100%, 150%, or 175% of the annual / policy premium

Employment Practices Liability coverage is NOT afforded under this policy. This coverage may be available under separate policy for a premium.

A Bodily Injury and Property Damage deductible may apply to your General Liability policy.





## Commercial Auto Coverage

### Coverage:

Automobile Coverage subject to policy provisions, conditions, terms, definitions and exclusions. Coverage is provided for all sums the insured legally must pay as damages because of bodily injury or property damage to which this insurance applies caused by an accident and resulting from the ownership, maintenance, or use of a covered auto.

### Liability Coverage:

Coverage	Limit		Symbol
Bodily Injury & Property Damage	\$1,000,000	Combined Single Limit	01
Medical Payments	\$ 5,000	Each Person	02
Uninsured Motorists	\$1,000,000	Per Accident	02
Physical Damage		\$1,000 ded. Comprehensive	02, 08
		\$1,000 ded. Collision	02, 08
Specified Causes of Loss (Perils of fire, lightning, explosion, theft, windstorm, hail, earthquake, flood, mischief, vandalism, or the sinking, burning, collision, or derailment of a conveyance transporting the auto)			

### Coverage Enhancements Include but are not limited to the following:

- Hired Auto Liability
- Non-Owned Auto Liability
- Hired Auto Physical Damage
  - Comp. Ded. \$1,000/Coll. Ded. \$1,000

*Higher Liability Limits may be available upon request.*

### Vehicle Ownership

Coverage only applies to vehicles that are owned/titled or leased in the corporate name, or business name in case of a partnership, that is specifically listed. If a business owned vehicle is furnished for personal use, an extension of coverage form may be required for proper protection.

### Autos Furnished to Individuals

If you furnish an auto to an individual that does not have a Personal Auto Policy or a Non-owned Auto Policy, please advise us so that we can recommend policy extensions or an additional policy to properly cover these individuals.



# Commercial Insurance Proposal



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## Vehicle Schedule:

Year	Make	Model	VIN	Liab.	UM	Med Pay	Comp Ded.	Coll Ded.
2005	Ford	F250	1FTSX205X5EA47378	\$1,000,000	\$1,000,000	\$5,000	\$1,000	\$1,000
2005	Ford	Econoline	1FTNE24L75HA18494	\$1,000,000	\$1,000,000	\$5,000	\$1,000	\$1,000
2016	Ford	Explorer	1FM5K7D81GGA85761	\$1,000,000	\$1,000,000	\$5,000	\$1,000	\$1,000

## Driver Schedule:

Driver Name	License Number	Date of Birth
Ralph Mailloux	S0983692	04/27/1952
Willie Lira	C6117232	02/10/1956
Ely Abyad	TO FOLLOW	10/12/1969
David Lopez	A7710117	11/30/1973
Adam Thomas	B4191869	04/04/1978
Konnor Armijo	E1156130	
Kevin Moore	D8562388	04/22/1990



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June 12, 2018

# Commercial Insurance Proposal



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## Business Auto Coverage Symbols:

Symbol	Description
1	Any Auto.
2	Owned "autos" only. Only those autos you own (and for liability coverage any trailers you don't own while attached to power units you own.) This includes those "autos" you acquire ownership of after the policy begins.
3	Owned Private Passenger "Autos" Only. Only the private passenger "autos" you own. This includes those private passenger "autos" you acquire ownership of after the policy begins.
4	Owned "Autos" other than private passenger "autos" only. Only those autos you own that are not of the private passenger type (and for liability coverage any "trailers" you don't own while attached to power units you own.) This includes those autos not of the private passenger type you acquire ownership of after the policy begins.
5	Owned "Autos" subject to No-Fault. Only those "autos" you own that are required to have No-Fault benefits in the state where they are licensed or principally garaged. This includes those "autos" you acquire ownership of after the policy begins provided they are required to have No-Fault benefits in the state where they are licensed or principally garaged.
6	Owned "autos" subject to a compulsory uninsured motorist's law. Only those "autos" you own that because of the law in the state where they are licensed or principally garaged are required to have and cannot reject Uninsured Motorists coverage. This includes those "autos" you acquire ownership of after the policy begins provided they are subject to the same state uninsured motorists requirement.
7	Specifically Described "autos". Only those autos described in ITEM THREE of the Declarations for which a premium charge is shown (and for liability coverage any "trailers" you don't own while attached to any power unit described in ITEM THREE.)
8	Hired "Autos" Only. Only those autos you lease, hire, rent or borrow. This does not include any "auto" you lease, hire, rent or borrow from any of your employees or partners or members of their households.
9	Non Owned "Autos" Only. Only those "autos" you do not own, lease, hire, rent or borrow that are used in connection with your business. This includes "autos" owned by your employees or partners or members of their households but only while used in your business or your personal affairs.



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June 12, 2018

# Commercial Insurance Proposal



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## Workers' Compensation

State	Code No.	Classification	Estimated Annual Payrolls	Renewal Base Rates	Expiring Base Rates	Renewal Interim Rates*	Expiring Interim Rates*
CA	8810	Clerical Office NOC	\$8,452,601	\$0.70	\$0.80	\$0.53	\$0.61
CA	8370**	Auto/Truck Radio Alarm Inst	\$1,064,602	\$6.68	\$9.10	\$5.06	\$6.89

<b>Premium Sub Total:</b>	<b>\$130,284.00</b>
Experience Modification 1.56	\$ 72,959.00
Rating Plan Modifier 0.85100	- \$ 30,283.00
Premium Discount 0.89027	- \$ 18,979.00
Assessments Combined	\$ 6,109.00
<b>Total Premium</b>	<b>\$160,090.00</b>

\* Waiver of subrogation – none included

### Workers Compensation Benefits:

States: CA

### Employer's Liability:

Bodily Injury per Accident: \$1,000,000 per accident  
 Bodily Injury by Disease: \$1,000,000 policy limit  
 Bodily Injury by Disease: \$1,000,000 each employee

### Additional Coverage May Include:

Other States Coverage (Except monopolistic states).

\*Interim rates do not include your Experience Modification.

\*\*Expiring class was 9516 Auto or Truck Radio, Alarm, etc.. (This class was terminated and replaced by 8370)

**Payrolls Are Subject to Audit**



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June 12, 2018

# Commercial Insurance Proposal



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## Net Rates:

State	Code No.	Classification	Renewal Net Rates	Expiring Net Rates
CA	8810	Clerical Office NOC	\$0.83	\$ 0.95
CA	8370	Auto/Truck Radio Alarm Inst	\$7.89	\$10.68

Net Rates include the Experience Modification

*Dividends cannot be guaranteed and are subject to declaration by the company's board of directors.*

**Note:** For Workers Compensation policies placed with the State Compensation Fund of CA, we will be unable to obtain any premium financing on your behalf. This carrier prohibits agents from doing so.



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June 12, 2018



## Directors & Officers Liability and Employment Practices Liability Claims Made Form

### Coverage:

Directors and Officers Liability and Employment Practices Liability, subject to policy terms, provisions, conditions, definitions, and exclusions.

### Directors & Officers Liability Coverage:

Directors & Officers Limit of Liability: \$1,000,000

#### Retentions:

- |                         |           |
|-------------------------|-----------|
| 1) Insuring Agreement A | \$ 0      |
| 2) Insuring Agreement B | \$ 35,000 |
| 3) Insuring Agreement C | \$ 35,000 |

Prior and/or Pending Litigation date: 07/01/2014

### Employment Practices Liability Coverage:

Employment Practices Limit of Liability \$1,000,000

#### Retentions:

Employment Practices Liability \$ 35,000

Prior and/or Pending Litigation date: 07/01/2014

**Shared Limits – Aggregate Limit of Liability for all  
Coverage Sections:**

\$1,000,000





## ***Terms, Conditions and Exclusions included, but not limited to:***

### COVERAGE FORMS

- RSG 211003 0118 Common Policy Terms and Conditions Coverage Section-Non-Profit
- RSG 211009 0118 Directors and Officers Liability Coverage Section-Non-Profit
- RSG 211010 0118 Employment Practices Liability Coverage Section-Non-Profit

### OTHER FORMS

- RSG 206096 0118 Absolute Exclusion-Sexual Abuse with Allocation
- RSG 203005 0118 California Changes-Cancellation and Nonrenewal
- RSG 204198 0118 Cap on Losses From Certified Acts of Terrorism
- RSG 214038 0118 Coverage Extension-Public Officials
- RSG 204123 0116 Disclosure Pursuance to Terrorism Risk Insurance Act
- RSG 206118 0118 Exclusion-Amended Bodily Injury and Property Damage
- RSG 204157 0118 Fully Non-Rescindable Coverage
- RSG 204154 0716 HR Loss Prevention Services Notice
- RSG 204208 0118 Liberalization Clause
- RSG 204153 0118 Sublimit-Defense Expenses-Wage and Hour Claims - \$100K sublimit w/ \$35K SIR
- RSG 204113 0118 Sublimit-Defense of Non-Monetary Damages - \$25K per claim/\$100K aggregate







## Commercial Excess Liability Coverage

### The Excess policy provides the following:

Excess coverage over limits provided by other liability policies

- Broadened coverage to respond to liability exposures not covered by other policies, subject to a Self-Insured Retention; and
- Replacement or “drop down” coverage when primary policy aggregate is exhausted or reduced.

### Coverage:

Excess Liability subject to policy provisions conditions, terms, definitions and exclusions.

### Limits:

Each Occurrence	\$4,000,000	<b>Higher Liability Limits may be Available</b>
Aggregate	\$4,000,000	
Self-Insured Retention	n/a	

### Underlying Coverages & Limits:

Automobile Liability	\$1,000,000
<b>Commercial General Liability</b>	
General Aggregate	\$1,000,000
Products/ Completed Operations Aggregate	\$1,000,000
Each Occurrence	\$1,000,000
Personal Injury & Advertising Injury	\$1,000,000
<b>Employee Benefits Liability</b>	
Aggregate	\$3,000,000
Each Employee	\$1,000,000
<b>Professional Liability</b>	
Aggregate	\$1,000,000
Each Claim	\$1,000,000
<b>Employers Liability</b>	
Bodily Injury by Accident- Each Accident	\$1,000,000
Bodily Injury by Disease- Each Employee	\$1,000,000
Bodily Injury by Disease- Policy Limit	\$1,000,000
<b>Directors &amp; Officers Liability &amp; Employment Practices Liability</b>	
Aggregate	\$1,000,000
Per Claim	\$1,000,000



# Commercial Insurance Proposal



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## Terms, Conditions and Exclusions included, but not limited to:

PE 00 01 01 16 (01-16)	Excess Public Liability Declarations
PE 00 01 01 16 (01-16)	Entity Liability Declarations
PE 00 04 01 16 (01-16)	Schedule of Forms and Endorsements
PE 00 03 01 16 (01-16)	Schedule of Underlying Insurance
PE 00 05 05 16 (05-16)	Exclusion – Access or Disclosure of Confidential or Personal Information and Data-Related Liability
IX 21 08 07 09 (07-09)	Asbestos Exclusion
PE 00 02 04 17 (04-17)	Excess Public Entity Liability
IX 21 05 07 09 (07-09)	Fungi or Bacteria Exclusion
IX 21 13 07 09 (07-09)	Lead Exclusion
HX SS 05 07 09 (07-09)	Service of Suit
SLCA1017 (10-17)	Surplus Lines Notification
IL P 001 01 04 (01-04)	U.S. Treasury Dept. ("OFAC")
HS 00 01 01 16 (01-16)	Signature Page
HX 00 01 07 12 (07-12)	Privacy Policy Disclosure Notice
HS CC 00 07 12 (07-12)	Claim Reporting Procedures
Terrorism:	
HB 21 30 01 15 (01-15)	Cap On Losses From Certified Acts Of Terrorism (if Terrorism elected)
HB 21 33 01 15 (01-15)	Exclusion Of Certified Acts Of Terrorism (if Terrorism not elected)
HB 21 36 01 15 (01-15)	Exclusion Of Punitive Damages Related to a Certified Act Of Terrorism (if Terrorism elected)

Excess Coverage for Uninsured Motorist may be available.



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June 12, 2018



## Premium Comparison & Summary

### Premiums as proposed:

Line of Coverage	2017/2018 Expiring Premiums	2018/2019 Renewal Premiums
Property/Inland Marine/Crime	\$ 11,203.00	\$ 11,459.00
Sched. Misc. Articles	\$ 9,152.00 <sup>1</sup>	\$ 18,452.00
General Liab./Professional Liab.*	\$ 53,500.00	\$ 53,000.00
Auto	\$ 8,482.00	\$ 8,547.00
Workers' Compensation	\$170,019.00 <sup>2</sup>	\$160,090.00
Directors & Officers/Employment Practices*	\$ 21,900.00	\$ 21,960.00
Excess Liability*	\$ 49,261.00	\$ 49,261.00
Surplus Lines Taxes and Fees*	\$ 3,288.35	\$ 3,272.35
D&O Wholesaler's Advisor Fee*	\$ 200.00	\$ 200.00
Wholesaler's Broker Fee*	\$ 750.00	\$ 750.00
<b>Total</b>	<b>\$327,755.35</b>	<b>\$326,991.35</b>

<sup>1</sup>Premium from 01/01/2018 – 07/01/2018

<sup>2</sup>Includes an outstanding mo. installment of \$12,526.25

**25% of the premium, surplus lines taxes and fees is earned at inception; 100% of all other fees is fully earned at inception.**

### Payment Plans:

#### Property/Inland Marine/Misc. Articles/Auto:

- Direct Billed – per expiring

#### Workers' Compensation

- Direct Billed – State Comp will roll over your deposit from last year of \$15,032. They will bill you direct for any add'l deposit due, as well as this year's assessments.
- 12 mo. installments of \$12,831.75 each. (The first of these installments will be collected with the deposit billing)

#### GL/PL; D&O/EPL; Excess Liab:

- Agency Billed
- Payment in Full or Premium Finance – quote avail. upon request.

**Please make your check payable to Brown & Brown Insurance Services of California**



# Commercial Insurance Proposal



Brown & Brown Insurance Services of CA, Inc. • 2401 E. Katella Ave., Suite 550, Anaheim, CA 92806 • (800) 228-7975

## Subjectivities:

- Excess Liab – Signed Terrorism Acceptance
- Disclosure Form, D-1
- Completed and signed applications.

Coverage cannot be considered bound until a binder has been received.



This proposal is for illustration purposes only. Please refer to the policy for actual terms/conditions.  
Coverage cannot be considered bound until a binder has been received.

June 12, 2018



## Marketing Summary

The following carriers were approached on your behalf:

Coverage Type	Company	Comments
Workers' Compensation	State Compensation (Incumbent)	Quote - \$160,090
	Berkshire	Quote - \$162,872
	CompWest	Quote - \$205,827
	Employers Comp.	Pending
	Liberty Mutual	Pending
	Alaska National	Declined - Premium falls below \$400k min. prem.
	AmTrust	Declined - Exposures are heavier than they are willing to consider.
	Applied	Declined - Unacceptable exposures
	Align General (Wholesaler)	Declined - Predominantly clerical exposure
	Arrowhead (Wholesaler - Munich & Everest)	Declined - Due to exposures
	Compstar (Benchmark)	Declined - Nature of operations
	Hartford	Declined - Class of business
	ICW	Declined - 50% or more clerical payroll
Ironwood	Declined - Fluctuating Experience Modification history and loses	



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June 12, 2018

# Commercial Insurance Proposal



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<b>Workers' Compensation, con't.</b>	National Liability	Declined - Ineligible class
	Omaha National	Declined - Low composite rate
	Pacific Compensation	Declined - Adverse loss history
	Preferred Employers	Declined - Claim severity potential of operations
	Republic Indemnity	Declined - Adverse loss history
	Starr	Declined - Operations and loss history
	Travelers	Declined - Will not consider mono line
	Zenith	Declined - Losses and premium vs exposure



This proposal is for illustration purposes only. Please refer to the policy for actual terms/conditions. Coverage cannot be considered bound until a binder has been received.  
June 12, 2018



## Brown & Brown Insurance Services of California Spectrum Service

Brown & Brown Insurance Services of California is happy to offer all clients a full suite of service not only for your business but also for your personal insurance needs. Spectrum Service provides protection in the following areas:

<b>Yes</b> <input type="checkbox"/>	<b>Employee Benefits</b> Medical, dental, vision, life and disability for your employees	<b>No</b> <input type="checkbox"/>
<b>Yes</b> <input type="checkbox"/>	<b>Personal</b> Homeowners, auto, collectibles and more	<b>No</b> <input type="checkbox"/>
<b>Yes</b> <input type="checkbox"/>	<b>Contingency Planning</b> Life/Disability/Long Term Care	<b>No</b> <input type="checkbox"/>
<b>Yes</b> <input type="checkbox"/>	<b>Business Perpetuation</b> Buy-Sell/Key Man	<b>No</b> <input type="checkbox"/>
<b>Yes</b> <input type="checkbox"/>	<b>Financial Planning</b> Estate/Asset Protection • Retirement/Investment Planning	<b>No</b> <input type="checkbox"/>





# Staff Report

## South Bay Regional Public Communications Authority

**MEETING DATE:** June 19, 2018

**ITEM NUMBER:** 3e

**TO:** Executive Committee

**FROM:** Erick Lee, Executive Director

**SUBJECT:** AUTHORIZE THE EXECUTIVE DIRECTOR TO EXPLORE THE BENEFIT OF PURCHASING CYBER LIABILITY INSURANCE WITH THE MEMBER CITY'S RISK MANAGERS; AND

AUTHORIZE THE EXECUTIVE DIRECTOR TO BIND AND APPROVE A PURCHASE ORDER FOR A FY2018/19 CYBER LIABILITY INSURANCE POLICY PROPOSED BY BROWN & BROWN INSURANCE SERVICES OF CALIFORNIA, INC. IN AN AMOUNT NOT TO EXCEED \$10,000

**ATTACHMENTS:** None

### **RECOMMENDATION**

Staff recommends that the Executive Committee authorize the Executive Director to explore the benefit of purchasing Cyber Liability Insurance with the owner cities' Risk Managers and bind and approve a purchase order for a FY2018/19 Cyber Insurance policy as proposed by Brown & Brown Insurance Services of California, Inc. in an amount not to exceed \$10,000.

### **BACKGROUND**

The Authority's By-laws provide the Executive Committee with the powers and duties to purchase, and maintain in force, public liability insurance for the Authority and its officers, agents and employees. The By-laws also require to the Authority to obtain and maintain workers' compensation insurance, liability insurance, and other such insurance as deemed necessary by the Executive Committee to fully protect the Authority and each of the member agencies.



## **DISCUSSION**

Over the past few years, the Authority has maintained the following types and levels of insurance:

- Commercial Property (includes inland marine and crime)
- General Liability and Professional Liability (\$1,000,000)
- Commercial Auto (\$1,000,000)
- Workers' Compensation (\$1,000,000)
- Directors & Officers Liability and Employment Practices Liability (\$1,000,000)
- Commercial Excess Liability (\$4,000,000)

Brown & Brown, the Authority's insurance broker, has recommended that the Authority consider the purchase of Cyber Liability Insurance. Such insurance could provide coverage in the following areas:

- Multimedia Liability
- Security and Privacy Liability
- Privacy Regulatory Defense and Penalties
- Breach Event Costs (Outside the Limits)
- Proactive Privacy Breach Response Costs Sublimit
- Voluntary Notification Expenses Sublimit
- BrandGuard®
- Network Asset Protection
- Cyber Extortion
- Cyber Crime

Since the Authority does not have personnel with expertise in the area of municipal risk management, staff could be assigned to work with Risk Managers from one or more of the Authority's owner cities to determine if Cyber Liability Insurance would be an appropriate type of insurance to procure and evaluate any quotes for insurance that are obtained from Brown & Brown. Upon receiving a recommendation to proceed from this group of subject matter experts, the Executive Director would be authorized to bind the Authority and purchase such insurance.

## **FISCAL IMPACT**

Costs associated with Cyber Liability Insurance are estimated to be less than \$10,000 per year. Funds for the premiums associated with this insurance are available in the recommended FY18/19 budget (Account #5513/General Liability Insurance).




# Staff Report

## South Bay Regional Public Communications Authority

**MEETING DATE:** June 19, 2018

**ITEM NUMBER:** 5

**TO:** Board of Directors, Executive Committee, and User Committee

**FROM:** Erick Lee, Executive Director 

**SUBJECT:** Executive Director's Report

**ATTACHMENTS:** None.

The Board of Directors, Executive Committee, and User Committee will be provided an oral report on the following topics:

- Status of Filling Vacant Positions
- Report on Management Team's Off-Site Meeting
- INSB Project Update
- Planned Changes in Service Level for Hermosa Beach PD & Manhattan Beach PD