



SR 25-238: ATTACHMENT 5

Alameda Contra Costa Transit Employees Retirement Plan

Fiduciary Liability Insurance Proposal

Presented by Shawn Kraatz
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Company Profile

Alliant provides risk management, insurance, and consulting services to thousands of clients nationwide, delivering tailored products and services engineered to mitigate risk, improve performance, and promote long-term growth. Our core business includes property and casualty insurance services, middle-market brokerage, employee benefits, and underwriting, each staffed with dedicated industry specialists who understand the unique market dynamics facing their clients.

In addition to our 90-plus year legacy of service and results, Alliant is one of the industry's fastest-growing organizations. As America's 10th largest insurance brokerage, we have an active presence in every U.S. market and an extensive arsenal of best-in-class resources and intelligence that moves our clients forward in today's competitive market climate.

Alliant has a broad reach that covers a wide range of industries, including:

- Agriculture
- Aviation
- Construction
- Energy and Marine
- Environmental
- Healthcare
- Financial Institutions
- Law
- Public Entity
- Real Estate
- Tribal Nations
- And many more

Alliant Advantage

	Alliant	Competition
90 years of leadership in meeting the insurance needs of businesses and public entities across the US.	✓	
National presence with best-in-class resources and expertise.	✓	
Privately owned and operated.	✓	
Flat management structure with no bureaucracy, empowering senior leadership to take a hands-on approach to client service that expands the entire lifecycle of the relationship.	✓	
A full-service insurance agency that addresses all of your risk and insurance needs, including property, casualty, life, and health.	✓	
A diverse team of industry specialists who understand the unique needs of your business.	✓	
Considerable buying power through more than 40 insurance carriers, enabling for the delivery of the best coverage at the most competitive pricing	✓	
State-licensed support staff.	✓	
A full-service approach that includes risk management services to help identify hazards and present options.	✓	
Workers' compensation insurance claims management at no additional charge.	✓	

Your Service Team

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Named Insured

Alameda Contra Costa Transit Employees Retirement Plan

NAMED INSURED DISCLOSURE

- Name Insured(s) should match State of Incorporation filing. Inform Alliant if there is a difference or change
- The First Named Insured policy status granted includes certain rights and responsibilities. These responsibilities do not apply to other Named Insureds on the policy. Some examples for First Named Insured status include; (1) being designated to act on behalf of all insureds for making policy changes, (2) receiving of correspondence, (3) distributing claim proceeds, and (4) making premium payments
- **Are ALL entities listed as named insureds?** Coverage is **not** automatically afforded to all entities unless specifically named. Confirm with your producer and service team that all entities to be protected are on the correct policy. Not all entities may be listed on all policies based on coverage line.
- Additional named insured is (1) A person or organization, other than the first named insured, identified as an insured in the policy declarations or an addendum to the policy declarations. (2) A person or organization added to a policy after the policy is written with the status of named insured. This entity would have the same rights and responsibilities as an entity named as an insured in the policy declarations (other than those rights and responsibilities reserved to the first named insured).
- Applies to Professional Liability, Pollution Liability, Directors & Officers Liability, Employment Practices Liability, Fiduciary Liability policies (this list not all inclusive). Check your Policy language for applicability. These policies provide protection to the Named Insured for claims made against it alleging a covered wrongful act.

Premium Summary

Coverage	Expiring Premium*		Renewal Premium*	
Fiduciary Liability	\$	32,589.70	\$	32,589.70
TOTAL	\$	32,589.70	\$	32,589.70

*Includes TRIA premium and commission rebate

Payment Terms

- Premium is due within 21 days of policy inception
- Agency Bill
- Payment Plan: Annual

Options

- None

Fiduciary Liability Coverage

	Present Coverage	Proposed Coverage
Insurance Company	Hudson Insurance Company	Hudson Insurance Company
A.M. Best Rating	A (Superior), Financial Size Category: XV (Greater than or Equal to \$2 Billion) as of July 6, 2023	A (Superior), Financial Size Category: XV (Greater than or Equal to \$2 Billion) as of July 12, 2024
Standard & Poor's Rating	Not Rated	Not Rated
California Status	Admitted	Admitted
Policy/Coverage Term	April 26, 2024 to April 26, 2025	April 26, 2025 to April 26, 2026
Policy #	SFD31210392-10	TBD

Coverage Form	The Encore Fiduciary Vanguard Package Policy - ESM-VANGUARD-FID (04/2019) - Claims Made	Same as present
Insured Plans	<ul style="list-style-type: none"> Retirement Board of AC Transit's Employee Retirement Plan (FKA Alameda Contra Costa Transit District Employee Pension Plan) Alameda Contra Costa Transit District Dcp 	<ul style="list-style-type: none"> Retirement Board of AC Transit's Employee Retirement Plan (FKA Alameda Contra Costa Transit District Employee Pension Plan) AC Transit 457(b) Deferred Compensation Plan
Prior or Pending Date	None (Full Continuity)	Same as present
Continuity Date	None (Full Continuity)	Same as present
Limits	\$ 5,000,000 Aggregate Limit of Liability for All Loss under this Coverage Part \$ 0 Additional Aggregate Limit for all Defense Costs	\$ 5,000,000 Aggregate Limit of Liability for All Loss under this Coverage Part \$ 1,000,000 Additional Aggregate Limit for all Defense Costs

Fiduciary Liability Coverage - Continued

	Present Coverage		Proposed Coverage	
Limits - Continued	\$ 5,000,000	Maximum Aggregate Limit of Liability for this Coverage Part	\$ 6,000,000	Maximum Aggregate Limit of Liability for this Coverage Part
Sub-Limits	\$ 5,000,000	Settlor Coverage	Same as present	
	\$ 1,250,000	Trustee Claims Expense Coverage / Defense of Non-Fiduciary Claims		
	\$ 500,000	Voluntary Compliance Program Expenditures		
	\$ 250,000	Reinstatement of Voluntary Compliance Program Expenditures		
	\$ 5,000,000	HIPAA and HITECH Fines and Penalties		
	\$ 250,000	PPACA Fines and Penalties		
	\$ 250,000	ERISA Section 502(c) Civil Penalties		
	\$ 250,000	IRC Section 4975 Penalties		
	\$ 250,000	Coverage for Claims of Equitable Relief and Surcharges		
	\$ 1,000,000	Death Master File Penalties (Section 203 of the Budget Act of 2013)		
	\$ 100,000	Miscellaneous/ Other Penalties		
	\$ 100,000	Benefit Overpayment		
Defense Inside/Outside the Limit	Inside the Limit		Same as present	

Fiduciary Liability Coverage - Continued

	Present Coverage	Proposed Coverage
Who has the Duty to Defend	Insurer	Same as present
Retention	\$ 75,000 Each Claim	Same as present
Endorsement & Exclusions (including but not limited to)	<ul style="list-style-type: none">• Failure to Collect Contributions Exclusion• Return of Contributions Exclusion• Bodily Injury, Mental Anguish, Emotional Distress, Sickness, Disease or Death and Property Damage Exclusion• Illegal Personal Profit Exclusion• Discrimination Except for Employee Benefit Law Exclusion• Libel and Slander Exclusion - Removed• Known Prior Acts Exclusion• Workers Compensation, Unemployment Insurance, Social Security or Disability Benefits Laws Exclusion• Deliberate Fraudulent or Dishonest Acts Exclusion• Definition of Administration to include determining and calculating benefits• Policyholder Disclosure Notice of Terrorism Insurance Coverage• U.S. Treasury Department's Office of Foreign Assets Control ("OFAC") Advisory Notice to Policyholders• California Amendatory Endorsement	Same as present

Fiduciary Liability Coverage - Continued

	Present Coverage	Proposed Coverage
Endorsement & Exclusions - Continued (including but not limited to)	<ul style="list-style-type: none"> • Encore Enhancement Endorsement for the Alliant Governmental Fiduciary Liability Insurance Program • Excessive Fee Litigation Claims Endorsement (with Sub-Limits) (\$5,000,000 per claim / \$5,000,000 aggregate / \$150,000 retention) 	Same as present
Program Highlights	<ul style="list-style-type: none"> • Definition of Loss to include Punitive, Exemplary, and Multiplied Damages (where insurable) with Most Favorable Venue wording • Definition of Insured Persons to include Employees of any Insured Plan • Non-Cancellable by Insurer other than for Non Payment of Premium • Wrongful Act definition includes administrative duties; counseling employees, participants, and beneficiaries; handling of records; failure to comply with privacy provisions of HIPAA • Notice/Claim Reporting Provision – notice required after General Council, Risk Manager or Trustee first learns of claim • Defense cost coverage for performance of managed care services with respect to selection of medical or health service providers • Final Adjudication wording for conduct exclusions • Employee Benefit Law defined to acknowledge Public Entity Risks not subject to ERISA • Severability for all exclusions 	Same as present

Fiduciary Liability Coverage - Continued

	Present Coverage	Proposed Coverage
Program Highlights - Continued	<ul style="list-style-type: none"> • Spousal Extension amended to include Domestic Partner • Priority of Payments provision • Severability of Application • Extended Reporting Period (Discovery Period) available for one to six years • Automatic Coverage for COBRA Violations • No Hammer Clause • Broadened Definition of Administration • Retainer Fees & Expenses of Independent Fiduciary • Interview Coverage by Enforcement (Govt) Unit • Expanded ability of the policyholder to provide a notice of potential claim • Expanded Definition of Damages – includes fees for an Independent Fiduciary to validate any proposed settlement • Policy exclusions limited to indemnity only and with policyholder friendly prefatory language • Defense provided for Personal Profit and Fraud Exclusions and limited to final, non-appealable adjudication in the underlying action or insurer-initiated coverage action • Libel and slander exclusion deleted • Defense provided for claims of bodily injury • Definition of Claim expanded to include a formal investigative order of an administrative or regulatory proceeding 	Same as present

Fiduciary Liability Coverage - Continued

	Present Coverage	Proposed Coverage
Program Highlights - Continued	<ul style="list-style-type: none"> Definition of Claim expanded to include written request to toll or waive a statute of limitations applicable to covered wrongful acts 	Same as present
Total Cost Excluding TRIA	Not Applicable	Not Applicable
Total Cost Including TRIA	\$ 37,895.00 Premium \$ 0.00 TRIA Premium \$ -5,305.30 Commission Rebate (14%) \$ 32,589.70 Total Cost	\$ 37,895.00 Premium Included TRIA Premium \$ -5,305.30 Commission Rebate (14%) \$ 32,589.70 Total Cost
Waiver of Recourse	\$ 100.00 Flat (included in premium above)	\$ 100.00 Flat (included in premium above)
Minimum Earned Premium	Not Applicable	Same as present
Extended Reporting Period	<ul style="list-style-type: none"> 1 year for 100% of the original premium 2 years for 175% of the original premium 3 years for 200% of the original premium 6 years upon request and carrier approval 	Same as present
Policy Auditable	Not Auditable	Same as present
Quote Valid Until	No Longer Applicable	April 25, 2025
Binding Conditions	No Longer Applicable	A written request to bind coverage

See Disclaimer Page for Important Notices and Acknowledgment

Disclosures

This proposal of insurance is provided as a matter of convenience and information only. All information included in this proposal, including but not limited to personal and real property values, locations, operations, products, data, automobile schedules, financial data and loss experience, is based on facts and representations supplied to Alliant Insurance Services, Inc. by you. This proposal does not reflect any independent study or investigation by Alliant Insurance Services, Inc. or its agents and employees.

Please be advised that this proposal is also expressly conditioned on there being no material change in the risk between the date of this proposal and the inception date of the proposed policy (including the occurrence of any claim or notice of circumstances that may give rise to a claim under any policy which the policy being proposed is a renewal or replacement). In the event of such change of risk, the insurer may, at its sole discretion, modify, or withdraw this proposal, whether or not this offer has already been accepted.

This proposal is not confirmation of insurance and does not add to, extend, amend, change, or alter any coverage in any actual policy of insurance you may have. All existing policy terms, conditions, exclusions, and limitations apply. For specific information regarding your insurance coverage, please refer to the policy itself. Alliant Insurance Services, Inc. will not be liable for any claims arising from or related to information included in or omitted from this proposal of insurance.

Alliant embraces a policy of transparency with respect to its compensation from insurance transactions. Details on our compensation policy, including the types of income that Alliant may earn on a placement, are available on our website at www.alliant.com. For a copy of our policy or for any inquiries regarding compensation issues pertaining to your account you may also contact us at: Alliant Insurance Services, Inc., Attention: General Counsel, 701 B Street, 6th Floor, San Diego, CA 92101.

Analyzing insurers' over-all performance and financial strength is a task that requires specialized skills and in-depth technical understanding of all aspects of insurance company finances and operations. Insurance brokerages such as Alliant Insurance typically rely upon rating agencies for this type of market analysis. Both A.M. Best and Standard and Poor's have been industry leaders in this area for many decades, utilizing a combination of quantitative and qualitative analysis of the information available in formulating their ratings.

A.M. Best has an extensive database of nearly 6,000 Life/Health, Property Casualty and International companies. You can visit them at www.ambest.com. For additional information regarding insurer financial strength ratings visit Standard and Poor's website at www.standardandpoors.com.

Our goal is to procure insurance for you with underwriters possessing the financial strength to perform. Alliant does not, however, guarantee the solvency of any underwriters with which insurance or reinsurance is placed and maintains no responsibility for any loss or damage arising from the financial failure or insolvency of any insurer. We encourage you to review the publicly available information collected to enable you to make an informed decision to accept or reject a particular underwriter. To learn more about companies doing business in your state, visit the Department of Insurance website for that state.

NY Regulation 194

Alliant Insurance Services, Inc. is an insurance producer licensed by the State of New York. Insurance producers are authorized by their license to confer with insurance purchasers about the benefits, terms and conditions of insurance contracts; to offer advice concerning the substantive benefits of particular insurance contracts; to sell insurance; and to obtain insurance for purchasers. The role of the producer in any particular transaction typically involves one or more of these activities.

Compensation will be paid to the producer, based on the insurance contract the producer sells. Depending on the insurer(s) and insurance contract(s) the purchaser selects, compensation will be paid by the insurer(s) selling the insurance contract or by another third party. Such compensation may vary depending on a number of factors, including the insurance contract(s) and the insurer(s) the purchaser selects. In some cases, other factors such as the volume of business a producer provides to an insurer or the profitability of insurance contracts a producer provides to an insurer also may affect compensation.

The insurance purchaser may obtain information about compensation expected to be received by the producer based in whole or in part on the sale of insurance to the purchaser, and (if applicable) compensation expected to be received based in whole or in part on any alternative quotes presented to the purchaser by the producer, by requesting such information from the producer.

Privacy

At Alliant, one of our top priorities is making sure that the information we have about you is protected and secure. We value our relationship with you and work hard to preserve your privacy and ensure that your preferences are honored. At the same time, the very nature of our relationship may result in Alliant's collecting or sharing certain types of information about you in order to provide the products and services you expect from us. Please take the time to read our full Privacy Policy posted at www.alliant.com, and contact your Alliant service team should you have any questions.

Other Disclosures / Disclaimers

FATCA:

The Foreign Account Tax Compliance Act (FATCA) requires the notification of certain financial accounts to the United States Internal Revenue Service. Alliant does not provide tax advice so please contact your tax consultant for your obligation regarding FATCA.

Guarantee Funds

Established by law in every state, guaranty funds are maintained by a state's insurance commissioner to protect policyholders in the event that an insurer becomes insolvent or is unable to meet its financial obligations. If your insurance carrier is identified as 'Non-Admitted', your policy is not protected by your state's Guaranty Fund.

Other Disclosures / Disclaimers - Continued

Claims Reporting:

Your policy will come with specific claim reporting requirements. Please make sure you understand these obligations. Contact your Alliant Service Team with any questions.

Claims Made Policy:

This claims-made policy contains a requirement stating that this policy applies only to any claim first made against the Insured and reported to the insurer during the policy period or applicable extended reporting period. Claims must be submitted to the insurer during the policy period, or applicable extended reporting period, as required pursuant to the Claims/Loss Notification Clause within the policy in order for coverage to apply. Late reporting or failure to report pursuant to the policy's requirements could result in a disclaimer of coverage by the insurer.

Any Employment Practices Liability (EPL) or Directors & Officers (D&O) with EPL coverage must give notice to the insurer of any charges / complaints brought by any state / federal agency (i.e. EEOC and similar proceedings) involving an employee. To preserve your rights under the policy, it is important that timely notice be given to the insurer, whether or not a right to sue letter has been issued.

Changes and Developments

It is important that we be advised of any changes in your operations, which may have a bearing on the validity and/or adequacy of your insurance. The types of changes that concern us include, but are not limited to, those listed below:

- Changes in any operations such as expansion to another state, new products, or new applications of existing products.
- Travel to any state not previously disclosed.
- Permanent operations outside the United States, Canada or Puerto Rico.
- Mergers and/or acquisition of new companies and any change in business ownership, including percentages.
- Any newly assumed contractual liability, granting of indemnities or hold harmless agreements.
- Any changes in existing premises including vacancy, whether temporary or permanent, alterations, demolition, etc. Also, any new premises either purchased, constructed or occupied
- Circumstances which may require an increased liability insurance limit.
- Any changes in fire or theft protection such as the installation of or disconnection of sprinkler systems, burglar alarms, etc. This includes any alterations to the system.
- Immediate notification of any changes to a scheduled of equipment, property, vehicles, electronic data processing, etc.
- Property of yours that is in transit, unless previously discussed and/or currently insured.

Other Disclosures / Disclaimers - Continued

Certificates / Evidence of Insurance

A Certificate or Evidence is issued as a matter of information only and confers no rights upon the certificate holder. The certificate does not affirmatively or negatively amend, extend or alter the coverage afforded by a policy, nor does it constitute a contract between the issuing insurer(s), authorized representative, producer or recipient.

You may have signed contracts, leases or other agreements requiring you to provide this evidence. In those agreements, you may assume obligations and/or liability for others (Indemnification, Hold Harmless) and some of the obligations that are not covered by insurance. We recommend that you and your legal counsel review these documents.

In addition to providing a Certificate or Evident of Insurance, you may be required to name your landlord, client or customer on your policy as a loss payee on property insurance or as an additional insured on liability insurance. This is only possible with permission of the insurance company, added by endorsement and, in some cases, an additional premium.

By naming the certificate holder as additional insured, there are consequences to your risks and insurance policy including:

- Your policy limits are now shared with other entities; their claims involvement may reduce or exhaust your aggregate limit.
- Your policy may provide higher limits than required by contract; your full limits can be exposed to the additional insured.
- There may be conflicts in defense when your insurer has to defend both you and the additional insured.
- An additional insured endorsement will most likely not provide notification of cancellation. Some insurance companies use a “blanket” additional insured endorsement that provides coverage automatically when it is required in a written contract. Most insurance companies do not want to be notified of all additional insureds when there is a blanket endorsement on the policy. If a notice of cancellation is required for the additional insured party, you must notify us immediately and we will request an endorsement from your insurance company. There may be an additional premium for adding a notice of cancellation endorsement for an additional insured.

See Request to Bind Coverage page for acknowledgement of all disclaimers and disclosures.

Optional Coverages

The following represents a list of insurance coverages that may not be included in this proposal but are optional and may be available with further underwriting information. This list is not inclusive of all coverages and if you have questions contact your Alliant representative. If you would like addition quotes please check Yes/No across from the coverage below, sign and return.

Target Coverages

	Yes	No
CRIME		
Employee Dishonesty	<input type="checkbox"/>	<input type="checkbox"/>
Computer Fraud	<input type="checkbox"/>	<input type="checkbox"/>
Social Engineering	<input type="checkbox"/>	<input type="checkbox"/>
Increased Limits	<input type="checkbox"/>	<input type="checkbox"/>
CYBER RISK	<input type="checkbox"/>	<input type="checkbox"/>
FLOOD INSURANCE	<input type="checkbox"/>	<input type="checkbox"/>
MANAGEMENT LIABILITY		
Directors & Officers Liability	<input type="checkbox"/>	<input type="checkbox"/>
Employment Practices Liability	<input type="checkbox"/>	<input type="checkbox"/>
UMBRELLA / EXCESS LIABILITY (Increased Liability Limits)	<input type="checkbox"/>	<input type="checkbox"/>
Selecting the "Reject All or Accept All" option will override any selections you have made above	<input type="checkbox"/> Reject All <input type="checkbox"/> Accept All for Consideration	

Signature of Authorized Insurance Representative

Date

Title

Printed / Typed Name

Optional Coverages – Continued

Other Coverage Options

Note some of these coverages may be included with limitations or insured elsewhere. This is a partial listing as you may have additional risks not contemplated here which are unique to your organization.

- Business Income/Extra Expense
- Earthquake
- Employed Lawyers
- Employee Benefits Liability
- Equipment Breakdown
- Food Borne Illness
- Foreign Insurance
- Garagekeepers Liability
- Hired Auto Physical Damage
- Kidnap & Ransom
- Law Enforcement Liability
- Media and Publishers Liability
- Network Security / Privacy Liability and Internet Media Liability
- Non-Owned & Hired Automobile Liability
- Pollution Liability
- Owned/Non-Owned Aircraft
- Owned Watercraft
- Professional Liability
- Property in Transit
- Property of Others (Clients, Employees, Other)
- Special Events Liability
- Spoilage
- Student Accident
- Volunteer Accidental Death & Dismemberment (AD&D)
- Workers Compensation & Employers Liability
- Workplace Violence

Glossary of Insurance Terms

Below are links to assist you in understanding the insurance terms you may find within your insurance coverages:

<http://insurancecommunityuniversity.com/university-resources/insurance-glossary-free>

<https://consumers.ambest.com/content.aspx?rec=261613>

<http://www.irmi.com/online/insurance-glossary/default.aspx>

Request to Bind Coverage

Alameda Contra Costa Transit Employees Retirement Plan

We have reviewed the proposal and agree to the terms and conditions of the coverages presented. We are requesting coverage to be bound as outlined by coverage line below:

Coverage Line	Bind Coverage for:
Fiduciary Liability	<input type="checkbox"/>

This Authorization to Bind Coverage also acknowledges receipt and review of all disclaimers and disclosures, including exposures used to develop insurance terms, contained within this proposal.

Signature of Authorized Insured Representative

Date

Title

Printed / Typed Name

This proposal does not constitute a binder of insurance. Binding is subject to the final carrier approval. The actual terms and conditions of the policy will prevail.