

Pollution Legal Liability Insurance Premium Financing Cost Table

Pollution Legal Liability Insurance Premium Financing – 4.5% and 7 year term

PLL Insurance Financing

Policy Holder	Share of Total Coverage	Premium Cost To Finance	Annual Costs			Total Costs over Term			
			Principal ¹ and Interest	Loan Admin. ²	Total	Principal	Interest	Loan Admin.	Total
City of Monterey	5%	\$ 300,000	\$ 50,910	\$ 294	\$ 51,205	\$ 300,000	\$ 56,373	\$ 2,059	\$ 358,432
City of Seaside	10%	600,000	101,821	588	102,409	600,000	112,746	4,118	716,864
City of Marina	25%	1,500,000	254,552	1,471	256,023	1,500,000	281,865	10,294	1,792,160
County of Monterey	20%	1,200,000	203,642	1,176	204,818	1,200,000	225,492	8,235	1,433,728
City of Del Rey Oaks	25%	1,500,000	254,552	1,471	256,023	1,500,000	281,865	10,294	1,792,160
Subtotal	85%	\$5,100,000	\$ 865,477	\$ 5,000	\$ 870,477	\$ 5,100,000	\$ 958,342	\$35,000	\$ 6,093,342
FORA (4%)	15%	\$ 900,000	\$ 152,731	\$ -	\$ 152,731	\$ 900,000	169,119	\$ -	\$ 1,069,119
Total	100%	\$6,000,000	\$1,018,209	\$ 5,000	\$ 1,023,209	\$6,000,000	\$1,127,462	\$35,000	\$ 7,162,462

¹ Based on loan of \$6 million, annual rate of 4.5 percent, 7 year term with 7 annual payments beginning in July 2005.

² FORA costs for accounting, jurisdiction invoicing, loan payments, and other finance plan administration costs.

Sources: FORA; Muni Financial; Annette Yee and Company

2% 2% 2% 5%
For MST, TAMC, MCWD, and MPC, the cost will vary depending on the amount of coverage they purchase:

PLL Insurance Financing

Amount of Coverage	Share of Total Coverage	Premium Cost To Finance	Annual Costs			Total Costs over Term			
			Principal ¹ and Interest	Loan Admin. ²	Total	Principal	Interest	Loan Admin.	Total
\$1,000,000	1%	\$ 60,000	\$ 10,182	\$ 294	\$ 10,476	\$ 60,000	\$ 11,275	\$ 2,058	\$ 73,333
\$2,000,000	2%	\$ 120,000	\$ 20,364	\$ 294	\$ 20,658	\$ 120,000	\$ 22,549	\$ 2,058	\$ 144,607
\$3,000,000	3%	\$ 180,000	\$ 30,546	\$ 294	\$ 30,840	\$ 180,000	\$ 33,824	\$ 2,058	\$ 215,882
\$4,000,000	4%	\$ 240,000	\$ 40,728	\$ 294	\$ 41,022	\$ 240,000	\$ 45,098	\$ 2,058	\$ 287,156
\$5,000,000	5%	\$ 300,000	\$ 50,910	\$ 294	\$ 51,204	\$ 300,000	\$ 56,373	\$ 2,058	\$ 358,431

¹ Based on loan of \$6 million, annual rate of 4.5 percent, 7 year term with 7 annual payments beginning in July 2005.

² FORA costs for accounting, jurisdiction invoicing, loan payments, and other finance plan administration costs.

Sources: FORA; Muni Financial; Annette Yee and Company