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**Fort Ord Reuse Authority  
 Pollution Legal Liability  
 Policy Period: December 31, 2014 – December 31, 2024**

**Marketing Overview**

Marsh released the RFP to several environmental markets on March 3, 2014. Then on April 1, 2014, a meeting was conducted and 7 markets participated – AWAC, AIG, Chubb, XL, Zurich, Beazley (phone), and Aspen (phone). The carriers were asked to quote options for limits, self-insured retention and policy term. Three markets provided a quote – Chubb, XL and Zurich. We are currently negotiating with Chubb for final terms and conditions.

10 Year Term				
Limits of Liability	Self-Insured Retention	Chubb Premium	XL Premium	Zurich Premium
AM Best Rating		A++ XV	A XV	A+ XV
\$25,000,000 each incident / \$25,000,000 aggregate	a) \$500,000 b) \$1,000,000	a) \$909,240 b) \$723,996	a) \$2,500,000 SIR of \$1,000,000 for MEC pollutants	b) \$2,575,000
\$50,000,000 each incident / \$50,000,000 aggregate	a) \$500,000 b) \$1,000,000	a) \$1,442,639 b) \$1,148,722	a) \$5,000,000 SIR of \$1,000,000 for MEC pollutants	Not offered

**Please Note:**

1. Defense is within the limits of liability
2. Multi-year policies apply with a single aggregate limit that is not re-instated annually
3. **Surplus lines taxes and fees will be in addition to the premiums listed above – approximately 3.20%**
4. TRIA coverage is not included in the above stated premiums – AP TBD
5. Premium is NET of commission

6. See individual specimen forms for standard exclusions, terms, and conditions
7. Total premium is due within 30 days of binding
8. All carriers are non-admitted in the State of California and other jurisdictions. As such, they are not licensed/supervised by the State, and in the event of insolvency, they are not covered by any State Insurance Guaranty Fund

**COVERAGE SUMMARY**

Features	Chubb	XL	Zurich
AM Best Rating	A++ XV	A XV	A+ XV
Pollution Legal Liability	Yes	Yes	Yes
Remediation Legal Liability	Yes	Yes	Yes
MEC Legal Liability	Yes	Yes	Yes
MEC Remediation Liability	Yes	Yes for MEC pollutants	Yes
3rd party Bodily Injury & Property Damage for known pollution (ground water contaminants undergoing clean-up by the Army)	No	No	No
Defense	Within policy limits	Within policy limits	Within policy limits
Transportation	Yes	Yes	Yes
Non-Owned Disposal Sites	Yes	No	Yes
New Pollution Conditions	Yes	Yes	Yes, 3 years only
Pre-existing Pollution Conditions	Yes	Yes	Yes
Additional Named Insureds	Yes	Yes	Yes
Dedicated limits of liability endorsement for the various jurisdictions	Yes	Yes	?
Developer partners as additional insured	Yes	Yes	?
Insured Contract endorsement	Will be considered	Yes	?
Disclosed document endorsement	?	?	?
Primary/non-contributory language	?	?	?
Aggregated SIR 3 times with maintenance	No	No	No

90 day extended reporting period	No – 60 days	Yes	?
Auto-assignment provision after FORA sunsets	?	?	?
Give-back cover for areas undergoing or completed clean-up via ESCA	Excess of AIG Policy	No	?
Cancellation requires consent of all insureds	?	?	?
Allocation formula for “cross-boarder” issues between insureds	?	?	?

Market	Coverage Highlights
<b>Chubb</b>	<ul style="list-style-type: none"> <li>• Restrictions that will apply to all properties covered on the policy are as follows:                             <ul style="list-style-type: none"> <li>○ Asbestos and Lead around former or current ARMY structures will be excluded both for BI/PD and for cleanup in Soil and Groundwater.</li> <li>○ In addition to excluding the ARMY’s groundwater liability, we will also exclude the offgassing vapor</li> </ul> </li> </ul> <p>In addition to the blanket restrictions, we will divide the covered properties into two groups, each having its own restrictions that apply to the group as a whole. In addition to the group restrictions we would include parcel specific restrictions, to address known contaminants and ongoing remediation, as necessary. The two groups and their respective coverage restrictions are as follows:</p> <p>FOST sites:</p> <ul style="list-style-type: none"> <li>- Full coverage, as shown above.</li> <li>- Land use and deed restrictions will be put in place that is consistent with the FOST standards for transfer. This may be done on a parcel by parcel basis or on a blanket basis depending on the complexity of FOST deed restrictions and parcel transfer requirements. (Deed restrictions will need to be provided to us for review)</li> <li>- Exclude or restrict known contaminants and ongoing remediation identified in environmental reports provided for these sites. (Restrictions may not be necessary for all known conditions. Determinations on coverage restrictions will be made based on extent and severity of contamination present and the adequacy of the deed restriction to address such known conditions.)</li> <li>- Exclude ongoing groundwater remediation per ARMY indemnification.</li> </ul> <p>ESCA sites:</p> <ul style="list-style-type: none"> <li>- ESCA sites that have received regulatory signoff will receive coverage but excess of AIG’s policy.</li> <li>- Exclude ongoing groundwater remediation per ARMY indemnification.</li> </ul> <p>Additional Endorsements / Considerations and Policy restrictions that require further</p>

	<p>discussion:</p> <ul style="list-style-type: none"> <li>- Named Insured</li> <li>- Additional Insured</li> <li>- Allocated Limits once FORA is dissolved</li> <li>- Insured vs. Insured Language</li> <li>- Insured Contracts</li> <li>- Disclosed Documents</li> <li>- Primary and Non Contributory (excess of AIG).</li> <li>- NFA type giveback for completed ESCA parcels, excess of AIG policy</li> </ul>
<p style="text-align: center;"><b>XL</b></p>	<ul style="list-style-type: none"> <li>• Covered Location Schedule</li> <li>• Section I. Insuring Agreement Amendatory [Wording to be provided]</li> <li>• Section II. Definitions Amendatory [Wording to be provided]</li> <li>• Section III. Territory Amendatory [Wording to be provided]</li> <li>• Section IV. Exclusions Amendatory [Wording to be provided]</li> <li>• Section V. Extended Reporting Period Amendatory [Wording to be provided]</li> <li>• Section VI Limits of Liability and Self Insured Retention Amendatory [Wording to be provided]</li> <li>• Split SIR endorsement [Wording to be provided]</li> <li>• Section VII. Reporting, Defense, Settlement and cooperation amendatory [Wording to be provided]</li> <li>• Section VIII. Transfer of Legal Defense Duties Amendatory [Wording to be provided]</li> <li>• Section IX. Conditions Amendatory [Wording to be provided]</li> <li>• Additional Named Insured Schedule</li> <li>• Contamination Exclusion for Operable Unit OU-1</li> <li>• Contamination Exclusion for Operable Unit OU-2</li> <li>• Contamination Exclusion for Landfill Gas at Operable Unit OU-2</li> <li>• Contamination Exclusion for Carbon Tetrachloride Operable Unit</li> <li>• Contamination Exclusion for Sites 2/12</li> <li>• Contamination Exclusion for Emergent Chemicals</li> <li>• Contamination Exclusion for Smallpox Vaccine material</li> <li>• Site Wide Contamination Exclusion for Soil Vapor</li> <li>• Contamination Exclusion for Munitions and Explosives of Concern</li> <li>• Lead in Soil Exclusion</li> <li>• Sublimits of Liability (If requested)</li> <li>• Institutional and Engineering Controls Violation</li> <li>• Insured Contract Schedule</li> <li>• Coverage for Certified Acts of Terrorism, Subject to Cap and Coverage for Other Acts of Terrorism (if accepted)</li> </ul>

	<ul style="list-style-type: none"> <li>• Exclusion of Certified Acts of Terrorism (if rejected)</li> <li>• Service of Process</li> </ul>
<b>Zurich</b>	<ul style="list-style-type: none"> <li>• Intent is to conform to terms of expiring XL Policy PEC0017726, and update where necessary. We understand that this coverage will require policy modifications and manuscript endorsements. Nevertheless, the following endorsements will be required on this policy:             <ol style="list-style-type: none"> <li>1. STF-EPC-143- Nuclear Exclusion Endorsement</li> <li>2. STF-EPC-173- Minimum Earned Premium Endorsement – 100%</li> <li>3. STF-EPC-189- Maintenance, Upgrades, Improvements or Installations Endorsement</li> <li>4. STF-EPC-206 - Separate Policy Period for New Pollution Events (3 years)</li> <li>5. STF-EPC-217 - Deed Restrictions and Land Use Controls Exclusion</li> <li>6. STF-EPC-260 - Dewatering Exclusion</li> <li>7. STF-GU-199 - Important Notice – Service of Suit and In Witness Clause</li> <li>8. U-GU-630 - Disclosure of Important Information Relating to TRIA</li> <li>9. U-GU-767 - Cap on Losses From Certified Acts of Terrorism</li> <li>10. STF-EPC-MANUSCRIPT – Site Wide Groundwater Exclusion</li> <li>11. STF-EPC-MANUSCRIPT – Biological / Chemical / Nerve Warfare Agents Exclusion</li> <li>12. STF-EPC-MANUSCRIPT – Include MEC removal in definition of Clean Up</li> </ol> </li> </ul>

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