

CSAC Excess Insurance Authority Excess Workers' Compensation Program 2010/11 Program Structure

EWC Program

Coverage Provider	Limit
CastlePoint National Insurance Company	80% of \$875,000 excess of \$125,000 <i>(does not apply for members with retentions of \$1,000,000 or more)</i>
CSAC Excess Insurance Authority	20% of \$875,000 excess of \$125,000 <i>(does not apply for members with retentions of \$1,000,000 or more)</i>
	\$4,000,000 excess of \$1,000,000 <i>(does not apply for members with retentions of \$5,000,000 or more)</i>
ACE American Insurance Company	\$45,000,000 excess of \$5,000,000
National Union Fire Insurance Company of Pittsburg, PA	Statutory excess of \$50,000,000

The above is for informational purposes only. Please refer to binders for confirmation of coverage.

**CSAC Excess Insurance Authority (CSAC EIA)
Excess Workers' Compensation Program
2010/2011 Schedule of Members and Self Insured Retentions**

Member	Self Insured Retentions
Alameda County	\$3,000,000
Alameda County Medical Center	\$2,000,000
Alpine County	\$125,000
Amador County	\$125,000
Amador Regional Transit System	\$125,000
Antelope Valley Healthcare District	\$1,000,000
Authority for California Cities Excess Liability (ACCEL)	
City of Anaheim	\$750,000
City of Bakersfield	\$500,000
City of Modesto	\$500,000
City of Monterey	\$400,000
City of Mt. View	\$500,000
City of Ontario	\$500,000
City of Palo Alto	\$500,000
City of Santa Barbara	\$750,000
City of Santa Cruz	\$500,000
City of Santa Monica	\$750,000
Bay Area Housing Authority Risk Management Agency (BAHARMA)	\$350,000
Berkeley Unified School District	\$250,000
Big Independent Cities Excess Pool (BICEP)	
City of Huntington Beach	\$1,000,000
City of Oxnard	\$1,000,000
City of San Bernardino	\$1,000,000
City of Santa Ana	\$750,000
City of West Covina	\$1,000,000
Butte County	\$125,000
Calaveras County	\$125,000
California Fair Services Authority	\$500,000
California Association of Park and Recreation Indemnity (CAPRI) – formerly PARDEC	\$250,000
Campbell Union High School District	\$250,000
Campbell Union School District	\$125,000
Casitas Municipal Water District	\$125,000
Central Sierra Child Support Agency	\$125,000
Central County Fire District	\$250,000
City of Bell	\$250,000
City of Belmont	\$125,000
City of Burbank	\$2,000,000
City of Burlingame	\$500,000
City of Carmel by the Sea	\$125,000

**CSAC Excess Insurance Authority (CSAC EIA)
Excess Workers' Compensation Program
2010/2011 Schedule of Members and Self Insured Retentions**

Member	Self Insured Retentions
City of Chula Vista	\$1,000,000
City of Concord	\$500,000
City of Corona	\$1,000,000
City of Covina	\$500,000
City of Cupertino	\$500,000
City of Daly City	\$350,000
City of Del Mar	\$125,000
City of Downey	\$750,000
City of El Cajon	\$125,000
City of El Monte	\$400,000
City of Escondido	\$500,000
City of Fairfield	\$750,000
City of Fontana	\$1,000,000
City of Fremont	\$500,000
City of Fresno	\$2,000,000
City of Garden Grove	\$1,000,000
City of Hawthorne	\$500,000
City of Hemet	\$125,000
City of Imperial Beach	\$125,000
City of Laguna Hills	\$125,000
City of Lancaster	\$125,000
City of Lemon Grove	\$125,000
City of Lompoc	\$300,000
City of Los Altos	\$250,000
City of Millbrae	\$300,000
City of Montebello	\$1,000,000
City of Moreno Valley	\$300,000
City of Napa	\$300,000
City of National City	\$500,000
City of Oakland	\$750,000
City of Oceanside	\$500,000
City of Pomona	\$1,000,000
City of Rancho Cordova	\$125,000
City of Redding	\$750,000
City of Redwood City	\$350,000
City of Rialto	\$400,000
City of Richmond	\$750,000
City of Ridgecrest	\$150,000
City of Sacramento	\$2,000,000

**CSAC Excess Insurance Authority (CSAC EIA)
Excess Workers' Compensation Program
2010/2011 Schedule of Members and Self Insured Retentions**

Member	Self Insured Retentions
City of San Buenaventura	\$1,000,000
City of San Clemente	\$300,000
City of Santa Clara	\$500,000
City of Santa Rosa	\$500,000
City of Simi Valley	\$500,000
City of Solana Beach	\$125,000
City of South San Francisco	\$500,000
City of Stockton	\$500,000
City of Sunnyvale	\$500,000
City of Torrance	\$2,000,000
City of Whittier	\$500,000
Colusa County	\$125,000
Community Development Commission for the County of LA	\$500,000
Contra Costa County	\$750,000
CSAC Excess Insurance Authority (CSAC EIA)	\$125,000
Del Norte County	\$125,000
East Bay Regional Park District	\$350,000
El Dorado County	\$300,000
Elk Grove Unified School District	\$500,000
Evergreen Elementary School District	\$125,000
First Five Contra Costa Children and Families Commission	\$125,000
First Five Sacramento Commission	\$125,000
Fresno County	\$500,000
Gold Coast Transit	\$125,000
Golden Empire Transit District	\$500,000
Golden State Risk Management Authority (GSRMA)	\$200,000
Humboldt County	\$125,000
Huntington Beach Union High School District	\$125,000
Imperial County	\$300,000
In Home Supportive Services Public Authority of Marin	\$125,000
Inyo County	\$125,000
Irvine Ranch Water District	\$125,000
Kings County	\$300,000
Kings County Area Public Transit Agency	\$125,000
Kings County Waste & Recycling Authority	\$125,000
Lake County	\$125,000
Lake Elsinore Unified School District	\$250,000
Lassen County	\$125,000
Local Agency Workers' Comp. Excess JPA (LAWCX)	\$5,000,000

**CSAC Excess Insurance Authority (CSAC EIA)
Excess Workers' Compensation Program
2010/2011 Schedule of Members and Self Insured Retentions**

Member	Self Insured Retentions
Madera County	\$125,000
Mariposa County	\$300,000
Mendocino County	\$125,000
Merced County	\$300,000
Modoc County	\$125,000
Mono County	\$125,000
Monterey Bay Area Self Insurance Authority	\$250,000
Monterey County	\$400,000
Monterey-Salinas Transit District	\$350,000
Morongo Basin Transit Authority	\$125,000
Mt. Diablo Unified School District	\$125,000
Municipal Pooling Authority (MPA)	\$500,000
Napa County	\$350,000
Nevada County	\$125,000
Northern California Cities Self Insurance Fund (NCCSIF)	\$500,000
Northern California Special Districts Insurance Authority (NCSDIA)	\$200,000
Omnitrans	\$1,000,000
Orange County Fire Authority	\$2,000,000
Orange County Sanitation District	\$500,000
Placer County	\$300,000
Plumas County	\$125,000
Public Agency Self Insurance System (PASIS) - San Bernardino	\$300,000
Public Agency Self Insurance System (PASIS) - San Diego	
Alpine Fire Protection District	\$300,000
Bonita/Sunnyside Fire Protection District	\$125,000
City of San Marcos	\$300,000
Lakeside Fire Protection District	\$125,000
North County Fire Protection District	\$300,000
Rancho Santa Fe Fire Protection District	\$300,000
San Miguel Consolidated Fire Protection District	\$300,000
Riverside County	\$2,000,000
Riverside Transit Agency	\$750,000
Sacramento County	\$3,000,000
Sacramento County Contract - Citrus Heights Animal Control Services	\$125,000
Sacramento County Contract - Rancho Cordova Construction Management Services	\$125,000
Sacramento County Contract - Rancho Cordova Police Services	\$125,000
Sacramento County Contract - Rancho Cordova Transportation Services	\$125,000
Sacramento County In Home Supportive Services Public Authority	\$125,000
Sacramento Metropolitan Cable Television Commission	\$125,000

**CSAC Excess Insurance Authority (CSAC EIA)
Excess Workers' Compensation Program
2010/2011 Schedule of Members and Self Insured Retentions**

Member	Self Insured Retentions
San Benito County	\$125,000
San Diego County	\$2,000,000
San Joaquin County	\$500,000
San Luis Obispo County	\$250,000
San Luis Obispo Regional Transit Authority	\$125,000
Santa Barbara County	\$125,000
Santa Barbara Metropolitan Transit District	\$500,000
Santa Clara County	\$4,000,000
Santa Clara County Fire District (SIR buy-down)	\$750,000
Santa Cruz County	\$500,000
Santa Cruz County Fire Agencies Insurance Group	\$125,000
Santa Cruz Metropolitan Transit District	\$350,000
Self Insurance Risk Management Authority I JPA (SIRMA I JPA)	\$125,000
Shasta County	\$250,000
Sierra County	\$125,000
Siskiyou County	\$125,000
Solano County	\$125,000
Sonoma County	\$300,000
South County Area Transit	\$125,000
Southern California Schools Risk Management Authority (SCSRM)	\$125,000
Ontario Montclair School District	\$250,000
Special District Risk Management Authority (SDRMA)	\$350,000
Stanislaus County	\$500,000
Sutter County	\$125,000
Tehama County	\$125,000
Town of Colma	\$125,000
Trinity County	\$125,000
Tulare County	\$125,000
Tuolumne County	\$300,000
Turlock Irrigation District	\$750,000
University of California Hastings College of Law	\$125,000
West San Gabriel Workers' Comp JPA	\$125,000
Yolo County Public Agency Risk Management Insurance Authority	\$500,000
Yuba County	\$125,000



06.29.10 Insurance Binder

June 29, 2010

Gordon DesCombes
Alliant Insurance Services, Inc.
1301 Dove Street, Suite 200
Newport Beach, CA 92660-2436

**Re: CSAC Excess Insurance Authority Excess Workers' Compensation (EWC) Program
CastlePoint National Insurance Company Renewal Binder**

Dear Gordon,

On behalf of Accretive Insurance Agency, we are pleased to present the enclosed Excess Workers Compensation Program Renewal Binder for CSAC Excess Insurance Authority from CastlePoint National Insurance Company (CastlePoint).

Changes from the prior Proposal at June 3, 2010 to this Binder include:

- Payroll updated to include payrolls of:
 - Central County Fire Department
 - City of Los Altos
 - Monterey Bay Area Self Insurance Authority (MBASIA)
- Premium updated to include the addition of the same 3 members as listed above

Please note that with regard to the allocation file you sent on Friday, we only updated our results with the 3 members listed above. None of the other member payrolls and premiums from your section entitled "ADDITIONS AFTER ALLOCATION FINALIZED" in the "Alloc" tab were included in the binder at this point. We will include them once we obtain a final membership list with payroll and premium.

Please let us know if you have any questions, or would like to discuss any items herein.

Thank You and Regards,

Munawar Ali
Accretive Insurance Agency
Office: (312) 676-5602
Cell: 773-727-5512
E-mail: munawar.ali@accretiveins.com



Insurance Binder for:

**CSAC Excess Insurance Authority
75 Iron Point Circle
Suite 200
Folsom, California 95630**

Producer:

**Gordon DesCombes
Alliant Insurance Services, Inc.
1301 Dove Street, Suite 200
Newport Beach, CA 92660**

Effective Date:

7/01/20010 - 7/01/2011



Insurance Carrier Information:

CastlePoint National Insurance Company

Best's Ratings for CastlePoint National Insurance Company

Rating:	A- (Excellent)
Affiliation Code:	p (Pooled)
Financial Size Category:	X (\$500 Million to \$750 Million)
Outlook:	Stable
Action:	Affirmed
Effective Date:	April 01, 2010



CSAC Excess Insurance Authority (CSAC EIA)

**Excess Workers' Compensation Program
\$875,000 Excess of \$125,000 Renewal Binder**

July 1, 2010 to July 1, 2011

INSURED	CSAC Excess Insurance Authority (CSAC EIA) and Members of the Excess Workers' Compensation (EWC) Program
EXCESS INSURER	CastlePoint National Insurance Company member of Tower Group of Companies
INSURANCE TERM	July 1, 2010 to July 1, 2011 (local time) <ul style="list-style-type: none">• 3 Year Rate Stabilization Applies (Separate Binder and Policy to be issued for each consecutive year – 2010, 2011, 2012)*• <i>Reset the 3 year plan*</i>
	<i>* NOTE: Note the Three Year Rate Stabilization Plan format will be identical to the current EWC Stabilization Plan, but updated with new members, loss data, payrolls, and SIRs. The rate plan will be limited to +/- 10% for all 3 yrs.</i>
POLICY NUMBER	WSRSWC 100001 03
COVERAGE	Excess Workers' Compensation and Employee Liability Coverage including: <ul style="list-style-type: none">• Other States• Volunteers and Board Members at no charge• United States Longshore and Harbor Workers Act Endorsement• Terrorism



LIMITS OF LIABILITY

WORKERS COMPENSATION:

\$ 875,000 maximum each accident or each employee for disease
(Difference between \$1,000,000 and the individual members SIR
greater than \$125,000 for members with SIR less than \$1 Million)

\$875,000 maximum each accident for communicable disease
(Difference between \$1,000,000 and the individual members SIR
greater than \$125,000 for members with SIR less than \$1 Million)

EMPLOYERS LIABILITY

\$875,000** Each Accident
\$875,000** Each Employee for Disease

****NOTE:** *(Maximum \$875,000 or the difference of \$1,000,000 and
individual member SIR greater than \$125,000)*

- Allocated claims expenses erode the members self insured retention and all limits including the pool
- The SIR for Workers' Compensation and Employers' Liability combined is at \$125,000 each occurrence or Individual Self Insured Retention each occurrence (whichever is higher) – only Members with less than \$1 Million SIR.
- Quota share participation of CastlePoint to be:

80% of the limits stated above

ESTIMATED PAYROLL

\$11,874,127,619



ESTIMATED ANNUAL PREMIUM FOR 100%

80% Quota Share Option

\$20,779,526 Estimated Annual Premium for 100%

DEPOSIT PREMIUM

80% Quota Share Option

\$16,623,621 Estimated Deposit Premium

- Minimum premium is 75% of deposit premium
- Premium auditable at a rate to be determined based on the EIA rating methodology
- Estimated Deposit Premium based on estimated payroll

SPECIAL CONDITIONS AND COMMENTS

- (1) Proposed premium /\$100 Payroll is based upon current list of Entities, Payrolls and Retention Levels Provided to CastlePoint as of 5/25/2010. CastlePoint reserves the right to re-rate for any changes to current list of Entities, Payrolls and SIR Retention Levels prior to the Policy Effective Date (7/1/2010)
- (2) Current list of Members reimbursed for 4850 benefits by EIA must remain the same as 2009.

BROKER COMMISSION

6.66% Alliant (of deposit premium)
3.34% Accretive (of deposit premium)

CONDITIONS

- Payment due in full within 45 days of effective date
- Final list of members, payroll and retention levels to be provided by CSAC through AIA as of 7/1/2010. This will be used to determine, final bound and deposit premium



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- Deposit premium to be set at policy inception based on the EIA rating methodology and rates approved by CastlePoint. Premium to be adjusted based on final payroll and final rate derived from CSAC EIA rating methodology
 - Final payroll audit due within 180 days from expiration of each annual period
 - Minimum premium based on 75% of deposit premium
 - CastlePoint to receive quarterly loss runs from the EIA of reportable claims within 60 days from the end of each quarter
 - CastlePoint will act in oversight capacity for claims in the CastlePoint layer
 - Monthly claims Boudreaux will be provided to CastlePoint by the CSAC EIA
 - EIA's rating methodology and rates approved by CastlePoint will be used to calculate the final premium according to the final entity payroll at the expiration of each annual period
 - EIA's rating methodology and rates approved by CastlePoint will be used for any addition or deletion of entities after the inception of each annual period
 - Premium for mid-term additions to be pro-rated and payable 180 days from expiration of each annual periods, unless the addition is greater than 5% of the overall final bound payroll, in which case the payment will be due 45 days from the effective date of the add-on
 - Three Year Rate Stabilization Plan will be amended after 7/1/2010 based on change in membership, payroll and loss data
 - Receipt of final list of TPA's. CastlePoint will review the TPA Claims Audits provided by the EIA, and reserves the right to examine and audit the claims handling operations
 - Earthquake/Natural Disaster Endorsement per expiring



Policy form and endorsements as per expiring

Please find below a sample of forms typical for the selected class(es) of business. Actual form editions may vary based on risk location and characteristics:

Form Number	Form Description
	CastlePoint Policy Jacket
	CastlePoint Signature Page
WC AS 0070	Excess Insurance Policy For Self-Insurer of Workers' Compensation and Employers Liability Policy
WC AS 0069	Information Page
WC AS 0073	Notice of TRIA Law Change
WC AS 0074	TRIA Endorsement
WC AS 0075	Federal Employers Liability Acts Endorsement - United States Longshore and Harbor Workers Compensation Act
WC AS 0076	Federal Employers Liability Acts Endorsement - The Jones Acts
WC AS 0087	Our Right to Rating and Dividend Information
WC AS 0088	California Workers Compensation Insurance Rating Laws
WC AS 0090	Policyholder Notice of Terrorism
WC AS 0093	Policyholder Notice - CIGA
WC AS 0099	Who Is Insured Endorsement
WC AS 0100	Coverage Endorsement
WC AS 0096	Arbitration
WC AS 0097	Claims Handling
WC AS 0095	Final Premium
WC AS 0094	Subrogation Endorsement
WC AS 0092	Claims Reporting
WC AS 0098	Volunteers And Board Members Endorsement
WC AS 0091	Earthquake Endorsement
WC AS 0101	Quota Share Endorsement

Thank You for the opportunity to be of service.

Munawar Ali
 Accretive Insurance Agency
 Office: (312) 676-5602
 Cell: 773-727-5512
 E-mail: munawar.ali@accretiveins.com

INSURANCE BINDER

ISSUE DATE

06/30/2010

THIS BINDER IS A TEMPORARY INSURANCE CONTRACT, SUBJECT TO THE CONDITIONS SHOWN THROUGHOUT THIS FORM**PRODUCER**

Alliant Insurance Services, Inc.
PO Box 6450
Newport Beach, CA 92658-6450
Phone (949)756-0271

License Number 0C36861

COVERAGE AFFORDED BY

CSAC Excess Insurance Authority

BINDER NUMBER EWC-07012010**EFFECTIVE****DATE****TIME****EXPIRATION****DATE****TIME**

07/01/2010

12:01 AM

09/29/2010

12:01 AM

INSURED

CSAC Excess Insurance Authority Excess Workers'
Compensation Program Members
c/o CSAC Excess Insurance Authority
3017 Gold Canal Drive
Rancho Cordova, CA 95670

THIS REPLACES BINDER NUMBER Not applicable**DESCRIPTION OF OPERATIONS**

Program members and self-insured retentions per the
attached schedule

COVERAGE INFORMATION**Coverage Provided**

Excess Workers' Compensation and Employers' Liability, including:

- Other States
- Volunteers & Board Members (subject to Board resolution)

Limits

The Authority is responsible for 20% quote share of:

\$ 875,000* each occurrence excess of member's retention

- * The difference between \$1,000,000 and individual member's retention up to a maximum of \$875,000

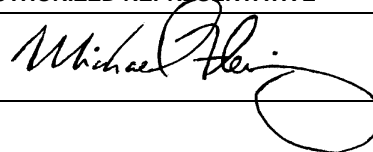
\$ 4,000,000** each occurrence**

- ** The difference between \$5,000,000 and the individual member's retention up to a maximum of \$4,000,000

NAME AND ADDRESS

CSAC Excess Insurance Authority Excess Workers'
Compensation Program Members

Subject to terms, conditions and exclusions of the
Memorandum of Coverage

AUTHORIZED REPRESENTATIVE



Insurance Binder

June 23, 2010

Alliant Insurance Services, Inc.
Tom E. Corbett
1301 Dove Street, Suite 200
Newport Beach, CA 92660-2436

**Re: CSAC Excess Insurance Authority Excess Workers' Compensation (EWC) Binder
\$45,000,000 excess of \$5,000,000 (Policy #: WCL C4571312A)**

Dear Tom:

Attached is the renewal binder on behalf of ACE American Insurance Company for CSAC EIA Excess Workers Compensation. This binder is for the \$45,000,000 excess of \$5,000,000 SIR for CSAC EIA Excess Workers Compensation.

Please note that the following items are currently open and in need of resolution:

- Binder currently reflects the payroll of \$ 21,310,805,789 provided as part of the original submission to ACE on December 14, 2009
 - Payroll by member matching this number is attached to this binder
- Once EWC payroll is confirmed as final for 7/1/2010, we will finalize payroll with ACE and issue a revised binder

Also, as agreed on 6/18/10, we are using a final rate of 0.0481.

ACE USA and Accretive are very excited about this renewal and thank you for your help and support in putting it together. Please feel free to contact us with any questions or concerns.

Regards,

Munawar Ali
Accretive Insurance Agency



Insured:

**CSAC Excess Insurance Authority
75 Iron Point Circle, Suite 200
Folsom, California 95630**

Producer:

**Tom E. Corbett
Alliant Insurance Services, Inc.
1301 Dove Street, Suite 200
Newport Beach, CA 92660**

Effective Date:

Workers Compensation and Employers Liability 07/01/2010 - 07/01/2011

Presented By:

Munawar Ali, Accretive Insurance Agency

This binder expires 60 days from coverage effective date or upon issuance of the policy



Binder

Insurer: ACE American Insurance Company
Insured: CSAC Excess Insurance Authority
Policy Number: WCL C4571312A
State(s): California
Policy Period: July 1, 2010 to July 1, 2011

LIMITS / RETENTION

Workers Compensation Limit: \$45,000,000
Communicable Disease Limit: \$45,000,000
Employers Liability Limits: Each Accident Excluded
Each Employee for Disease Excluded
Annual Aggregate Excluded
SIR for WC and EL Combined: \$5,000,000 Each Accident / Each Employee for Disease

EXPOSURE BASE / PREMIUM / COMMISSION

Estimated Payroll: \$21,310,805,789
Deposit Premium: \$9,664,450
Commission to Alliant: 9.00%
ACE Rate per \$100 of Payroll: \$0.04535
Alliant Fees: \$96,645
Accretive Fees: \$483,223
Total Fees: \$579,867
Total Fees %: 6%
Total Premium + Fees: \$10,244,317
Final Rate: 0.0481



POLICY FORM AND ENDORSEMENTS

Title	Form Number	Edition
ACE Specific Excess Workers' Compensation and Employers' Liability Policy	CKE-1167k	10/06
Loss and Expense Adjustment Endorsement – ALAE Included	CK-12887b	04/08
Communicable Disease Coverage Endorsement	WC 99 03 48	04/08
Earlier Notice of Cancellation/Non-Renewal (120 Days)	WC 99 07 51	07/06
Notification of Premium Adjustment	WC 99 04 44	08/06
Employers' Liability Exclusion Endorsement	CK-12886	10/02
Alternate Employer Endorsement	WC 99 04 40	07/06
Claim Reporting Amendatory Endorsement	WC 99 04 90	08/08
Name and Address Amendatory Endorsement	CK-18364a	09/05
Who Is Insured Amendatory Endorsement	WC 99 99 05	12/08
Voluntary Compensation Schedule	CKE-18768a	01/07
Cap on Losses from Certified Acts of Terrorism	WC 99 04 59a	01/08

DISCLOSURES AND NOTICES

Title	Form Number	Edition
ACE Producer Compensation Practices & Policies	WC 99 03 42	10/06
Disclosure Notice of Terrorism Insurance Coverage	TRIA 11b	01/08
Trade and Economic Sanctions Endorsement	WC 99 07 73	11/06
US Treasury Department (OFAC) Notice	ILP 001 01 04	
Attachment: TRIA Disclosure	TR 19606c	

CONDITIONS

- Payment Plan:** The estimated premium shown in this Binder/Notice of Election is due in within thirty (30) days full at inception
- Binder Expiration:** This binder expires 60 days from coverage effective date or upon issuance of the policy
- Audit:** 80% minimum premium at audit; final audited payroll to be reported to ACE within 180 days of the expiration date
- TPA:** Self administered at the CSAC level; Individual members as per on file with CSAC EIA



Program Underwriting Guidelines & Authority:

All prospective members in the below categories must be referred to ACE for prior approval:

- Prospective member is not a public entity or a sponsored non-profit;
- Prospective member has any operations involving mining, nuclear, explosives, current or prior asbestos;
- Prospective member's loss ratio greater than 65%;
- Prospective member's individual large losses exceeding the lower of \$500,000 or 50% of the members' SIR; and
- Prospective member has prior cancellation of coverage by another carrier

Referral Process:

- A single page referral form will be sent to ACE underwriter for approval
- Any referred member will be reviewed within 2 business days
- ACE will be notified within 3 days of any new member bound by CSAC EIA
- ACE will be provided a quarterly bordereaux of members added by the 10th day after the end of the quarter.

Certification:

The premium shown in this Binder/Notice of Election for the Polic(ies) scheduled herein were calculated in accordance with approved rating plans or are subject to deregulation. The insured has elected the use of those rating plans, as described in this Binder/Notice of Election and understands all terms, conditions and provisions of those plans, including the methods of adjustment, payment and penalties for cancellation outlined herein and/or in endorsements to the policies listed in the scheduled policies, as described in this Binder/Notice of Election.

Attachments:

Amendment to Excess Workers' Compensation Binder/Notice of Election
Terrorism Insurance Act Notification
Payment Instructions
Claim Notification Procedures



AMENDMENT
EXCESS WORKERS COMPENSATION BINDER/NOTICE OF ELECTION
Policy Period 07/01/10 – 07/01/11

Insured: CSAC Excess Insurance Authority

This amendment is effective 07/01/10. The Excess Workers Compensation Binder /Notice of Election is amended to include the following additional proposal condition:

Renewal Rate Guarantee:

The Insurer guarantees to provide a renewal proposal, including renewal rate(s), to the Insured for the renewal of Policy Number WCL C4571312A five months prior to the expiration date shown on the Excess Workers Compensation Binder / Notice of Election, provided sufficient underwriting information is made available by the insured six and a half months prior to the expiration date shown on the Excess Workers Compensation / Notice of Election (unless such date is extended by mutual agreement). This proposal is to be valid through 6/30/11. The insurer agrees that the renewal rate will be within a range of no less than 1.5% and no more than 5.5% greater than the expiring rate. If the Insurer fails to provide such renewal proposal, including renewal rate(s), on or before five months prior to the expiration date shown on the Excess Workers Compensation / Notice of Election (unless such date is extended by mutual agreement), the Insurer guarantees to renew Policy Number WCL C4571312A for the 7/1/11-12 policy period, per the expiring rate(s), terms and conditions. Separate policies will be issued for each annual policy period. Notwithstanding the foregoing, the terms and conditions contained in Policy Number WCL C4571312A, including any non-renewal or cancellation conditions, continue to apply. This renewal rate guarantee is null and void upon the occurrence of any of the following:

1. The Insured fails to provide the complete renewal submission to the Insurer on or prior to six and a half months prior to the expiration (unless such date is extended by mutual agreement).
2. The Insured fails to accept the Insurer's renewal proposal, in writing, on or before three months prior to expiration (unless such date is extended by mutual agreement). Proposal is to remain valid through 3/31/2011.
3. The Producer and/or the Insured market this Excess Workers Compensation program (or the renewal thereof) at any time during the 7/1/10-11 Policy Period, given that the Insurer adheres to the terms listed in this renewal agreement.
4. The Insured's financial rating deteriorates, as determined by the Insurer, at any time during the 7/1/10-11 Policy Period, based on any of the following criteria:
 - a. the institution of any insolvency, rehabilitation or similar proceeding against the insured;
 - b. application for, or appointment of, a receiver for the insured; or



- c. Filing of a voluntary or involuntary petition under any of the provisions of the Bankruptcy Code or any similar or procedures in the state or country of domicile of the insured.
5. The Insured's Estimated Payroll for the 7/1/11-12 renewal policy period reduces by 25% or is greater than 50%, as compared to the Insured's Estimated Payroll for 2010.
6. The Insured requests any change to the program structure, program SIR, coverage and/ or limit(s) of insurance, as compared to the program in effect during the 7/1/10-11 Policy Period.
7. Any change in the Insured's operations or changes that do not adhere to the By-Laws and statutes regulating Pools and Pool Participation.
8. Any incurred loss in excess of the program SIR in any policy period in the three (3) years directly preceding the renewal date based on losses valued as of June 30, 2010. This condition will not apply once Ace has provided the renewal proposal.
9. Any act of terrorism, certified or otherwise, in the United States of America, its territories and/or possessions, or Canada. This condition will not apply if the act of terrorism occurs within three (3) months of the policy effective date.
10. Any regulatory change that would preclude the Insurer from providing the agreed upon program.

All other terms and conditions of this Excess Workers Compensation Binder/Notice of Election remain unchanged.

This Binder/Notice of Election has been executed by the parties hereto, as officers or otherwise authorized representatives of each, each of which intends by its execution to be legally bound by the terms of this agreement.

Insurer:

ACE American Insurance Company

Name: _____
(Please Print)

Signature: _____

Date: _____

Address:

436 Walnut Street, WA04P
Philadelphia, PA 19106

Insured:

CSAC Excess Insurance Authority

Name: _____
(Please Print)

Signature: _____

Date: _____

Binder for Excess Workers' Compensation and Employers Liability Insurance



New Insurance

Renewal Policy Number 488-0465

By the Insurance Company, hereinafter called the Company indicated below:

- American Home Assurance Company-53764/53763 (AOS)
- National Union Fire Insurance Company of Pittsburgh, Pa.-60869/60871 (WI only)
- National Union Fire Insurance Company of Pittsburgh, Pa.-54360/54361 (AOS)
- American International South Insurance Company-59598/59597
- Illinois National Insurance Company-55514/44413

To the Named Insured

Name: **CSAC Excess Insurance Authority (CSAC-EIA) and Members of the Excess Workers Compensation (EWC) Program**

Address: **75 Iron Point Circle, Suite 200**
City: **Folsom**
State: **California**
Zip Code: **95630**

Through the Producer

Contact Name: **Brian Frost/Allison Granata**
Name of Company:

Address: **19867 Prairie Street, Suite 250**
City: **Chatsworth**
State: **California**
Zip Code: **91311-6533**

Phone Number: **818-772-3831/ 818-772-3837**
Fax Number: **818-773-6000**
E-mail Address: Brian.Frost@amwins.com
Allison.Granata@amwins.com

We are pleased to offer the following binder for Specific Excess Workers' Compensation and Employers Liability coverage to the Named Insured, including forms described in Section 11 below:

1. Policy Term: **7/1/2010 to 7/1/2011**
2. Binder made on: **REVISED 6/29/2010**
3. Coverage applies to the Qualified Self-Insured state(s) of: **CALIFORNIA**

4. SPECIFIC EXCESS INSURANCE

LIMITS OF INDEMNITY

Part One: Workers Compensation

Each Accident **STATUTORY**
Each Employee for Disease: **STATUTORY**

Part Two: Employers Liability

Each Accident **EXCLUDED**
Each Employee for Disease: **EXCLUDED**

RETENTION

Part One: Workers Compensation

Each Accident **\$50,000,000**
Each Employee for Disease: **\$50,000,000**

Part Two: Employers Liability

Each Accident **EXCLUDED**
Each Employee for Disease: **EXCLUDED**

***The Limit of Liability attaches above \$50,000,000 retention which is comprised of limits as provided by another insurer which in turn is in excess of the self insured retention of \$5,000,000. COVERAGE DOES NOT FOLLOW FORM**

5. **ESTIMATED TOTAL ANNUAL REMUNERATION** \$ 19,865,262,479 Annual, Subject to Audit

6. **PREMIUMS & RATES**

Specific:

Rate Per \$100 of Remuneration: 0276

Premiums (Excluding State Surcharges):

Estimated Premium: \$5,482,812

Deposit Premium \$5,482,812

Minimum Premium: \$4,083,987

In the event the estimated payroll basis at binding drops below 30% of the current quoted estimated payroll (i.e. below \$14,797,054,938), the Minimum Premium will remain at \$4,083,987 and the rate will be adjusted upwards to achieve the Minimum Premium.

8. **State Surcharges** (Due in addition to the premium listed in Item 6 above).

California Insurance Guarantee Association (CIGA) Surcharge: N/A

Adjustable at 2% of California premium

GA Insurers' Insolvency Pool Surcharge: N/A

Adjustable at 2% of GA premium

9. **ADDITIONAL CONDITIONS**

Conditions

This binder is contingent on the following: You must comply with the "Conditions" described below by the close of business on their respective due dates

Conditions		Due Dates
<input checked="" type="checkbox"/>	Final Payrolls must be received within 180 days from the expiration date of this policy	1/1/2012
<input checked="" type="checkbox"/>	Additional Members must be reported on a quarterly basis	10/1/10; 1/1/11 4/1/11; 6/30/11
<input checked="" type="checkbox"/>	Additional premiums for new members will be charged at audit	7/1/11
<input checked="" type="checkbox"/>	Certificates of Insurance will be provided to the Underwriter on a quarterly basis	10/1/10; 1/1/11; 4/1/11; 6/30/11
	Signed Underwriting Requirements (As Expiring)	8/1/10

10. **OTHER**

Other

Other		Due Dates
<input checked="" type="checkbox"/>	Claims Audit may be required during policy term.	N/A
<input checked="" type="checkbox"/>	Loss Control Survey may be required during policy term.	N/A
<input type="checkbox"/>	Update information for Alternate Employer Endorsement (Union Pacific Railroad Company - Railroad Folder #2545-56)	Prior to binding
<input type="checkbox"/>		

11. **Specific Excess Workers Compensation and Employers Liability applicable forms and endorsements:**

	Form Description	#
<input checked="" type="checkbox"/>	Specific Excess Workers' Compensation and Employers Liability Policy Form	54360/54361
<input checked="" type="checkbox"/>	Privacy Policy	78052
<input checked="" type="checkbox"/>	Amendatory Endorsement- Payments You Must Make Provision	81066
<input checked="" type="checkbox"/>	Coverage Territory Endorsement	89644
X	Broad Form Other States Endorsement	56292
X	United States Longshore and Harbor Workers" Compensation Act Endorsement	56316
X	Your Retention Schedule	58336
X	Communicable Disease Endorsement	61073
X	Volunteer and Board Members Endorsement @ No Additional Charge	61305
X	Alternate Employer Endorsement – Union Pacific Railroad Company	62042
X	Exclusion of Part Two, Employers Liability Insurance	63315
X	Cancellation Clause Amended Endorsement (Credit Rating Trigger)	Wording As Expiring
X	Waiver of Subrogation *Version 3)	66900
X	Revised California Amendatory Endorsement – Cancellation Provision #1	Manuscript
X	Amendment to Your Claims Reporting Duties	Manuscript
X	Amendatory Endorsement-Cancellation for Non-Payment of Premium	manuscript

12. **Payment Plan**

- In full, due 30 days from Effective Date
- Installments Pre-Paid
- Other (full description necessary)
-

13. **Claims Administration:**

- TPA Name: VARIOUS
- Self Administered
-

Coverage for acts of terrorism is included in your policy. You are hereby notified that under the Terrorism Risk Insurance Act, as amended, that you have a right to purchase insurance coverage for losses resulting from acts of terrorism, as defined in Section 102 (1) of the Act: The term "act of terrorism" means any act that is certified by the Secretary of the Treasury –in concurrence with the Secretary of State, and the Attorney General of the United States – to be an act of terrorism; to be a violent act or an act that is dangerous to human life, property, or infrastructure; to have resulted in damage within the United
