

Risk Specialists Companies Insurance Agency, Inc.  
d/b/a RSCIA in NH, UT & VT  
1650 Market Street  
Suite 3700  
Philadelphia, PA 19103  
(215) 255-6000



**BINDER OF INSURANCE CONFIRMATION LETTER**

June 16, 2021

KIM CAMPBELL  
WILLIS TOWERS WATSON INSURANCE SERVICES WEST, INC.  
801 S. FIGUEROA STREET SUITE 800  
LOS ANGELES, CA 90017

**Insured:** COUNTY OF SAN BERNARDINO  
222 W. HOSPITALITY LANE 3RD FLOOR  
SAN BERNARDINO, CA 92415-1002

**Insurance Carrier:** NATIONAL UNION FIRE INSURANCE COMPANY OF PITTSBURGH, PA.  
175 WATER STREET, NEW YORK, NY, 10038-4969

**Policy:** FIDUCIARY LIABILITY INSURANCE EDGE  
SUBMISSION #: 502230600  
POLICY#: 01-357-22-68  
REPLACEMENT OF POLICY #: 01-450-14-67  
POLICY PERIOD: FROM 07/01/2021 TO 07/01/2022

Dear KIM:

On behalf of National Union Fire Insurance Company of Pittsburgh, Pa. (hereinafter "Insurer"), I am pleased to confirm the Final binding of coverage in accordance with our agreement as set forth below and subject to the conditions set forth herein. Please review said Final Binder for accuracy and contact the Insurer prior to the effective date of policy coverage of any inaccuracy(ies) found within the issued Binder. If the Insurer does not hear from you prior to the effective date of policy coverage it will be understood that the Binder has been accepted as an accurate description of the agreed upon terms of coverage.

**\*\*\*IMPORTANT POLICY ISSUANCE VERIFICATION\*\*\***

A policy will be issued with the name and address of the Insured exactly as referenced in the "Policy Information" Section of this Binder. If this information is inaccurate, please advise us immediately.

**POLICY INFORMATION**

**INSURED:** COUNTY OF SAN BERNARDINO

**INSURED'S ADDRESS:** 222 W. HOSPITALITY LANE 3RD FLOOR  
SAN BERNARDINO, CA 92415-1002

**TYPE OF POLICY:** Fiduciary Liability Insurance Edge

**BASIC FORM:** 106075(07/10)

**INSURANCE COMPANY:** National Union Fire Insurance Company of Pittsburgh, Pa.

**POLICY NUMBER :** 01-357-22-68

**EFFECTIVE DATE:** 07/01/2021 **EXPIRATION DATE:** 07/01/2022

LIMITS OF LIABILITY; RETENTION AND CONTINUITY DATE	
LIMIT OF LIABILITY	
Limit of Liability	\$5,000,000
RETENTION	
Securities Retention	\$100,000
All other Loss to which a Retention applies	\$100,000
CONTINUITY DATE	
All other Coverage	July 01, 2005
PREMIUM	
Premium	\$50,300
Commission	22.00%
PASSPORT	
This policy serves <input type="checkbox"/> , or <input checked="" type="checkbox"/> does not serve, as a master Passport policy.	

**OTHER TERMS:** Per Insurer quote/indication letter dated June 16, 2021 except as indicated below.

**Total Amount due:** \$50,300

**Important Conditions of Binder:** See Below

Premium for Certified Acts of Terrorism Coverage under Terrorism Risk Insurance Act, as amended (TRIA): \$0 included in policy premium stated above. Any coverage provided for losses caused by an act of terrorism as defined by TRIA (TRIA Losses) may be partially reimbursed by the United States under a formula established by TRIA as follows: 80% of TRIA Losses in excess of the insurer deductible mandated by TRIA, the deductible to be based on a percentage of the insurer's direct earned premiums for the year preceding the act of terrorism.

The following will also be attached to the policy:

#	Form #	Ed Dt	Title
1	99544	07/08	EMPLOYEE BENEFIT PLAN FIDUCIARY LIABILITY PANEL COUNSEL
2	97885	04/08	POLICYHOLDER NOTICE REGARDING E-DISCOVERY CONSULTANT SERVICES
3	106002	07/10	PENSION CRISISFUND APPENDIX

#### ENDORSEMENTS

The following endorsements will be added to the basic policy:

#	Form #	Ed Dt	Title
1	52133	03/07	CA CANCELLATION/ NONRENEWAL ENDORSEMENT
2	120576	10/15	Public Entity Amendatory Endorsement
3	111416	08/12	SETTLOR CAPACITY AMENDATORY
4	111408	08/12	NOTICE AND REPORTING AMENDED 90-DAY POST POLICY REPORTING PERIOD
5	111406	08/12	DEFENSE AND SETTLEMENT AMENDED 60 DAYS TO ADVANCE DEFENSE COSTS
6	117198	01/14	AFFORDABLE CARE ACT COVERAGE EXTENSION
7	116317	03/16	CONDUCT EXCLUSIONS AMENDED (FINANCIAL ADVANTAGE FINAL NONAPPEALABLE ADJUDICATION IN ANY UNDERLYING PROCEEDING)
8	106032	07/10	CONTINUITY DATE (EXCESS LIMITS)
9	110632	02/12	CLAIM DEFINITION AMENDED
10	107589	01/11	CONDUCT EXCLUSIONS AMENDED FINAL NONAPPEALABLE ADJUDICATION IN ANY UNDERLYING PROCEEDING
11	106066	07/10	PENSION CRISISFUND SUBLIMIT AMENDED - \$150,000
12	140298	03/21	Excessive Fee Claim Retention - \$5,000,000
13	122166	07/16	WAIVER OF RECOURSE ENDORSEMENT (AP) - 19 trustees - \$25 per trustee (\$475 total, billed separately)
14	99758	08/08	NOTICE OF CLAIM (REPORTING BY E-MAIL)
15	119679	09/15	ECONOMIC SANCTIONS ENDORSEMENT
16	125595	03/17	FEDERAL SHARE OF COMPENSATION UNDER TRIA AND CAP ON LOSSES ENDORSEMENT
17	78859	10/01	FORMS INDEX ENDORSEMENT

#### CONDITIONS OF BINDER

When signed by the Insurer, the coverage described above is in effect from 12:01 AM of the Effective Date listed above to 12:01 AM of the Expiration Date listed above, pursuant to the terms, conditions and exclusions of the policy form listed above, any policy endorsements described above, and any modifications of such terms as described in this Binder section. Unless otherwise indicated, this Binder may be canceled prior to the Effective Date by the Insured, or by the Broker on the behalf of the Insured, by written notice to the Insurer or by the surrender of this Binder

stating when thereafter such cancellation shall be effective. Unless otherwise indicated, this Binder may be canceled by the Insurer prior to the Effective Date by sending written notice to the Insured at the address shown above stating when, not less than thirty days thereafter, such cancellation shall be effective. Unless otherwise indicated, this Binder may be canceled by the Insurer or by the Insured on or after the Effective Date in the same manner and upon the same terms and conditions applicable to cancellation of the policy form listed above. Issuance by the Insurer and acceptance by or on the behalf of the Insured of the policy shall render this Binder void except as indicated below.

A condition precedent to coverage afforded by this Binder is that no material change in the risk occurs and no submission is made to the Insurer of a claim or circumstances that might give rise to a claim between the date of this Binder indicated above and the Effective Date.

Please note this Binder contains only a general description of coverages provided. For a detailed description of the terms of a policy you must refer to the policy itself and the endorsements bound herein.

#### **PREMIUM PAYMENT**

Our accounting procedures require that payment be remitted within 30 days of the effective date of coverage or 15 days from the billing date, whichever is later.

We appreciate your compliance with this procedure.

We appreciate your business and hope that we can be of further service to you in the future.

Sincerely,



DAVID GREENE  
Underwriter  
Financial Lines

If you have any questions regarding this policy, or for any other service needs, please contact our AIG Broker Services:

Monday-Friday 9:00 AM - 6:00 PM Eastern  
Telephone: 1-877-TO-SERVE or (877)867-3783  
E-mail: [TOSERVE@aig.com](mailto:TOSERVE@aig.com)  
Fax: (800) 315-3896

*Raising the bar with commitment to quality*

ENDORSEMENT#

This endorsement, effective  
policy number  
issued to

forms a part of

by

**CALIFORNIA AMENDATORY ENDORSEMENT**

Wherever used in this endorsement: 1) "Insurer" mean the insurance company which issued this policy; and 2), "Named Insured", "First Named Insured", and "Insured" mean the Named Corporation, Named Entity, Named Organization, Named Sponsor, Named Insured, or Insured stated in the declarations page; and 3) "Other Insured(s)" means all other persons or entities afforded coverage under the policy.

The following is added and supersedes any provision to the contrary:

**CANCELLATION**

The First Named Insured shown in the declarations may cancel the policy by mailing or delivering to the Insurer advance written notice of cancellation.

If the policy has been in effect for more than sixty (60) days or if it is a renewal, effective immediately, the Insurer may not cancel the policy unless such cancellation is based on one or more of the following reasons:

- (1) Nonpayment of premium, including payment due on a prior policy issued by the Insurer and due during the current policy term covering the same risks.
- (2) A judgment by a court or an administrative tribunal that the named Insured has violated any law of this state or of the United States having as one of its necessary elements an act which materially increases any of the risks insured against.
- (3) Discovery of fraud or material misrepresentation by either of the following:
  - a) The Insured or Other Insured(s) or his or her representative in obtaining the insurance; or
  - b) The named Insured or his or her representative in pursuing a claim under the policy.
- (4) Discovery of willful or grossly negligent acts or omissions, or of any violations of state laws or regulations establishing safety standards, by the named Insured or Other Insured(s) or a representative of same, which materially increase any of the risks insured against.
- (5) Failure by the named Insured or Other Insured(s) or a representative of same to implement reasonable loss control requirements which were agreed to by the Insured as a condition of policy issuance or which were conditions precedent to the use by the Insurer of a particular rate or rating plan if the failure materially increases any of the risks insured against.
- (6) A determination by the commissioner that the loss of, or changes in, an insurer's reinsurance covering all or part of the risk would threaten the financial integrity or solvency of the Insurer.



- (7) A determination by the commissioner that a continuation of the policy coverage could place the Insurer in violation of the laws of this state or the state of its domicile or that the continuation of coverage would threaten the solvency of the Insurer.
- (8) A change by the named Insured or Other Insured(s) or a representative of same in the activities or property of the commercial or industrial enterprise which results in a material added risk, a materially increased risk or a materially changed risk, unless the added, increased, or changed risk is included in the policy.

Notice of cancellation shall be delivered or mailed to the producer of record and the named Insured at least thirty (30) days prior to the effective date of cancellation. Where cancellation is for nonpayment of premium or fraud, notice shall be given no less than ten (10) days prior to the effective date of cancellation.

CONDITIONAL RENEWAL AND NONRENEWAL

If the Insurer decides not to renew the policy, or to increase the deductible, reduce the limits, eliminate coverages or raise premium more than 25%, the Insurer shall mail or deliver to the producer of record and the named Insured notice of nonrenewal at least sixty (60) days but no more than 120 days prior to the end of the policy period. The notice shall contain the reason for nonrenewal of the policy.

A notice of nonrenewal shall not be required in the following situations:

- (1) If the transfer or renewal of a policy, without any changes in terms, conditions or rates, is between the Insurer and a member of the insurance group.
- (2) If the policy has been extended for 90 days or less, provided that notice has been given in accordance with the nonrenewal notice requirements noted above.
- (3) If the Named Insured has obtained replacement coverage, or has agreed, in writing, within 60 days of the termination of the policy, to obtain that coverage.
- (4) If the policy is for a period of no more than 60 days and the Insured is notified at the time of issuance that it will not be renewed.
- (5) If the First Named Insured requests a change in the terms or conditions or risks covered by the policy within 60 days of the end of the policy period.
- (6) If the Insurer has made a written offer to the First Named Insured, in accordance with timeframes shown above to renew the policy under changed terms or conditions or at an increased premium rate.

If the Insurer fails to give timely notice, the policy of insurance shall be continued, with no change in its terms or conditions, for a period of 60 days after the Insurer gives notice.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.

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AUTHORIZED REPRESENTATIVE



This endorsement, effective \_\_\_\_\_ forms a part of  
Policy number: \_\_\_\_\_  
Issued to: \_\_\_\_\_  
  
By: \_\_\_\_\_

#### **PUBLIC ENTITY AMENDATORY ENDORSEMENT**

In consideration of the premium charged, it is hereby understood and agreed that the policy is amended as follows:

1. Clause 2.G *Worldwide & Cross Border* is deleted in its entirety.
2. Clause 4. **DEFENSE AGREEMENTS** is deleted in its entirety and replaced with the following:

#### **4. DEFENSE AGREEMENTS**

##### **A. INSURER'S DUTY TO DEFEND**

The **Insurer** shall have both the right and duty to defend any **Non-Government-defended Claim**, against an **Insured** alleging a **Wrongful Act**, even if such **Claim** is groundless, false or fraudulent. The **Insured** shall have the right to effectively associate with the **Insurer** in the defense of any **Non-Government-defended Claim**, including, but not limited to, negotiating a settlement, subject to the provisions of this Clause 4. The **Insurer** shall not, however, be obligated to defend any **Non-Government-defended Claim** after the **Limit of Liability** stated in Item 4 of the Declarations has been exhausted.

##### **B. GOVERNMENT-DEFENDED CLAIM**

The **Insurer** shall have no duty to defend a **Government-defended Claim**. The **Insurer** shall have the right to effectively associate with the **Insureds** in the defense of any **Government-defended Claim**, including but not limited to negotiating a settlement. Provided that the **Insurer** shall be permitted to effectively associate with the **Insureds** in the defense of any **Government-defended Claim**, including but not limited to negotiating a settlement of any **Government-defended Claim**, the **Insurer's** consent to settlements, stipulated judgments and **Defense Costs** shall not be unreasonably withheld. Notwithstanding this paragraph 4.B, this policy shall pay **Defense Costs** incurred in connection with a **Government-defended Claim** (i) to the extent **Defense Costs**

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are incurred solely by **Panel Counsel** assigned by the **Insurer** to assist in the defense and/or appeal of such **Government-defended Claim**, pursuant to Clause 10. of this policy; or (ii) that constitute **Third-party Service Costs** provided solely in connection with the defense and/or appeal of such **Government-defended Claim**.

### C. GENERAL PROVISIONS

Notice of a **Claim** shall be provided to the **Insurer** pursuant to Clause 8 of the policy.

The **Insurer** shall advance **Defense Costs** prior to the final disposition of a **Claim** (but with respect to a **Government-defended Claim**, only to the extent such **Defense Costs** are incurred by a **Panel Counsel Firm** assigned by the **Insurer** to assist in the defense of a **Government-defended Claim** as set forth in paragraph 4.B. above), subject to the other provisions of this policy. With respect to **Defense Costs** incurred by an **Insured** in the investigation or adjustment of, or in retaining experts for, a **Government-defended Claim**, the **Insurer** shall reimburse covered **Defense Costs** no later than ninety (90) days after the receipt by the **Insurer** of such defense bills. Payments by the **Insurer** shall be repaid to the **Insurer** by the **Insureds**, severally according to their respective interests, in the event and to the extent that the **Insureds** shall not be entitled under the terms and conditions of this policy to payment of such **Loss**.

The **Insured(s)** shall not admit or assume any liability, enter into any settlement agreement, stipulate to any judgment, or incur any **Defense Costs** without the prior written consent of the **Insurer**. Only those settlements, stipulated judgments and **Defense Costs** which have been consented to in writing by the **Insurer** shall be recoverable as **Loss** under the terms of this policy. Further, the **Insured(s)** shall not waive any defenses available to, nor fail to preserve any rights possessed by, the **Insured(s)** under the law, common or statutory, without the prior written consent of the **Insurer**.

The **Insured(s)** shall give the **Insurer** full cooperation and such information as the **Insurer** may reasonably require. The failure of any **Insured** to give the **Insurer** cooperation and information as it may reasonably require shall not impair the rights of any **Insured Person** under this policy.

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**END**



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If all **Insured** defendants are able to dispose of all **Claims** which are subject to one Retention (inclusive of **Defense Costs**) for an amount not exceeding the Retention, then the **Insurer's** consent shall not be required for such disposition.

The **Insurer** may make any settlement of any **Claim** that it deems expedient with respect to any **Insured**, subject to such **Insured's** written consent. If any **Insured** withholds consent to such settlement, the **Insurer's** liability for all **Loss** on account of such **Claim** shall not exceed: (1) the amount for which the **Insurer** could have settled such **Claim**, plus **Defense Costs** incurred as of the date such settlement was proposed in writing by the **Insurer** (herein, the "**Settlement Opportunity Amount**"), plus (2) 50% of covered **Loss** in excess of such **Settlement Opportunity Amount**, it being a condition of this insurance that the remaining 50% of such **Loss** in excess of the **Settlement Opportunity Amount** shall be carried by the **Insureds** at their own risk and be uninsured.

Selection of counsel to defend the **Non-Government-defended Claim** or to assist in the defense of certain **Government-defended Claims** made against the **Insureds** shall be governed by Clause 10 of the policy.

3. Clause 5. **EXCLUSIONS** is amended by adding the following exclusion at the end thereof:

(6) for failure to fund a **Plan** in accordance with **Employee Benefit Law** or the **Plan** instrument, or the failure to collect contributions owed to the **Plan**; provided, however, this exclusion shall not apply to: (1) **Defense Costs**; or (2) the portion of **Loss** that is payable as a personal obligation of a **Insured Person**;

4. Clause 10.A. *Pre-Authorized Defense Attorneys* is deleted in its entirety and replaced with the following:

*A. Pre-Authorized Defense Attorneys*

This Clause 10.A applies only to: (1) a **Claim** brought by any government entity; (2) a **Claim** brought in the form of a class or representative action or which purports to be brought as a class or representative action, or (3) certain **Government-defended Claims**.

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Affixed as Appendix A hereto and made a part of this policy is a list of Panel Counsel law firms ("**Panel Counsel** ") from which a selection of legal counsel shall be made to conduct the defense of any **Claim** against an **Insured** to which this Clause 10 applies and pursuant to the terms set forth below. However, this provision shall not apply to a **Government-defended Claim** regardless of whether it otherwise meets the requirements of this Clause 10 unless the **Insurer**, in its sole discretion, determines that **Panel Counsel** shall assist in the defense of a **Government-defended Claim**. Otherwise, selection of **Panel Counsel** is not required to conduct the defense of a **Government-defended Claim**, subject to the other terms, conditions and exclusions of this policy.

In the event the **Insurer** is operating under a duty to defend pursuant to Clause 4.A of this policy, then the **Insurer** shall select **Panel Counsel** to defend the **Insureds**. Upon the written request of the **Named Sponsor**, the **Insurer** may consent to a different **Panel Counsel** selected by the **Named Sponsor** to defend the **Insureds**, which consent shall not be unreasonably withheld.

The selection of **Panel Counsel** from the attached list to defend the **Claim** against the **Insureds**, or to assist in the defense of certain **Government-defended Claims**, shall be made without geographical limitation or restriction.

The list of **Panel Counsel** may be amended from time to time by the **Insurer**. However, no change shall be made to the specific list attached to this policy during the **Policy Period** without the consent of the **Named Sponsor**. At the request of the **Named Sponsor**, the **Insurer** may in its discretion add one or more law firms to the attached list of **Panel Counsel** for the purposes of defending the **Claim**, or assisting in the defense of certain **Government-defended Claims**, made against the **Insureds**. The list of **Panel Counsel** may also be amended to add, at the sole discretion of the **Insurer**, a non-**Panel Counsel** for the purpose of acting as "local counsel" to assist an existing **Panel Counsel**, which **Panel Counsel** will act as "lead counsel" in conducting the defense of the **Claim**, for **Claims** brought in a jurisdiction in which the chosen **Panel Counsel** does not maintain an office.

5. Clause 11 is amended by inserting the following at the end thereof:

In all events, coverage as is afforded under this policy with respect to a **Claim** made against any **Insured** thereof shall only apply for any actual or alleged **Wrongful Acts**

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occurring after the effective time such **Insured** became an **Insured**, and prior to the effective time that such **Insured** ceases to be an **Insured**.

6. Clauses 11.B *Former Subsidiaries* and 11C. *Scope of Subsidiary Coverage* are deleted in their entirety.
7. Clause 13.A.3 SUBROGATION AND WAIVER OF RECOURSE is amended by deleting the last sentence thereof and replacing it with the following:

Except for the **Insurer's** subrogation rights set forth above, the **Insurer** shall have no right of recourse against an **Insured** unless required pursuant to any **Employee Benefit Law**.

8. Clause 14. DEFINITIONS is amended as follows:

(a) The definitions of "**Corporate Trustee Company**," "**ERISA**," "**Executive**," "**Foreign Jurisdiction**," "**Foreign Policy**," "**Management Control**," "**Multiemployer Plan**," "**Plan Committee**," "**Securities Claim**," "**Securities Retention**" and "**Subsidiary**" are deleted in their entirety and all occurrences of such terms in the policy are deleted.

(b) The following definitions are added to clause 14:

"**Fiduciary**" means a fiduciary as defined in **Employee Benefit Law** (if applicable), with respect to a **Plan**, or a person or entity who exercises discretionary control as respects the management of a **Plan** or the disposition of its assets.

"**Government-defended Claim**" means a **Claim** alleging a **Wrongful Act** for which representation is provided to an **Insured** by any governmental body, agency or subdivision in accordance with a statute or agreement requiring or permitting such provision of defense or for which the **Insured** is recompensed or otherwise compensated pursuant to such statute or agreement for fees, costs and expenses resulting from the investigation, adjustment, defense and/or appeal of such **Claim**.

"**Non-Government-defended Claim**" means a **Claim** other than a **Government-defended Claim**.

"**Third-Party Service Costs**" means the reasonable and necessary fees, costs and expenses incurred solely in connection with the defense and/or appeal of a **Claim** or

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**END**

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**Government-defended Claim** for services that are provided by accountants, actuaries, investigators, expert witnesses, document reproduction services, court reporters and process servers who are not employees of an **Insured**. **Third-Party Service Costs** shall not include any fees, costs or expenses incurred prior to the time a **Claim** or a **Government-defended Claim** was first made against an **Insured** even if such fees, costs and expenses relate to the same subject matter of a **Claim** or **Government-defended Claim**.

(c) The definition of "**Claim**" is deleted in its entirety and replaced with the following:

"**Claim**" means:

- (1) a written demand for monetary, non-monetary or injunctive relief, other than an initial application for benefits;
- (2) a civil, criminal or arbitration proceeding for monetary, non-monetary or injunctive relief which is commenced by:
  - (i) service of a complaint or similar pleading (in the case of a civil proceeding);
  - (ii) return of an indictment, information or similar document (in the case of a criminal proceeding); or
  - (iii) receipt or filing of a notice of charges; or
- (3) a formal agency or regulatory adjudicative proceeding to which an **Insured** is subject, which is commenced by:
  - (i) service of a complaint or similar pleading; or
  - (ii) receipt or filing of a notice of charges, other than an administrative or dispute resolution proceeding handled internally by a governmental entity, body, agency or subdivision.

"**Claim**" shall also mean any **Non-Government-defended Claim** and any **Government-defended Claim**.

(d) The definition of "**Defense Costs**" is deleted in its entirety and replaced with the following:

"**Defense Costs**" means reasonable and necessary fees, costs and expenses consented to in writing by the **Insurer** (including the cost of **E-Discovery Consultant Services** and premiums for any appeal bond, attachment bond or similar bond, but without any obligation to apply for or furnish any such bond) resulting solely from

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the investigation, adjustment, defense and/or appeal of a **Claim** (but with regard to a **Government-defended Claim**, only for reasonable and necessary fees, costs and expenses incurred by **Panel Counsel** assigned by the **Insurer** to assist in the defense and/or appeal) against an **Insured**, whether incurred under Clause 4.A, 4.B or 4.C of this policy, but excluding any compensation of **Insured Persons** or employees of an **Insured** or a governmental body, agency or subdivision. **Defense Costs** shall not include any fees, costs or expenses incurred prior to the time a **Claim** was first made against an **Insured** even if such fees, costs and expenses relate to the same subject matter of a **Claim**.

- (e) The definition of "**Employee Benefit Law**" is deleted in its entirety and replaced with the following:

"**Employee Benefit Law**" means any applicable statutory law or regulations thereunder of the United States, Canada, or any state or province thereof (including but not limited to the Federal Employees' Retirement System Act of 1986, the Consolidated Omnibus Reconciliation Act of 1985 ("COBRA"), the Newborns' and Mothers' Health Protection Act of 1996, and the Women's Health and Cancer Rights Act of 1998), setting forth the obligations, responsibilities or duties imposed upon **Fiduciaries** of **Plans** sponsored by public entities or governmental authorities and to which a **Plan** is subject. **Employee Benefit Law** shall not include any law concerning fair employment, workers' compensation, unemployment insurance, Social Security, statutorily or administratively-mandated disability benefits or similar law.

- (f) The definition of "**Insured**" is amended to also mean any other person or entity in his, her or its capacity as a **Fiduciary**, administrator or trustee of a **Plan** and included in the Definition of **Insured** by specific written endorsement attached to this policy.

- (g) The definition of "**Insured Person**" is deleted in its entirety and replace with the following:

"**Insured Person**" means, solely with respect to a **Plan**, any past, present or future:

- (1) employee of a **Sponsor Organization** or of a **Plan** in his or her **Administration** of a **Plan** or in his or her capacity as a **Fiduciary** or trustee of a **Plan**;
- (2) member of a pension committee of a **Sponsor Organization** in his, her, or its capacity as a fiduciary or in his, her, or its **Administration** of a **Plan**;

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- (3) a member of the board of **Plan** trustees;
- (4) a duly elected or appointed public official; or
- (5) former employee currently serving in a consulting or advisory capacity to a **Plan** if the **Sponsor Organization** provides indemnification to such individual in the same manner as is provided to other **Insured Persons**;

**"Insured Person"** shall not include any individual in his or her capacity as an employee of any third party, including a service provider.

- (h) The definition of **"Loss"** is amended by deleting the second to last paragraph thereof, which concerns punitive, exemplary and multiplied damages, and replacing it with the following:

**Loss** shall also not include punitive damages or the portion of multiplied damages that exceeds the amount determined to constitute compensation for actual damages; provided, however, **Defense Costs** shall be provided for Claims seeking such damages, subject to the other terms, conditions and exclusions of this policy

- (i) The definition of **"Loss"** is further amended to also mean and include **Third Party Service Costs**.
- (j) The definition of **"Plan"** is deleted in its entirety and replaced with the following:

**"Plan"** means each of the following plan(s) or trust(s):

**Plan(s):**

SAN BERNARDINO COUNTY 457B PLAN # 666785  
SAN BERNARDINO COUNTY 401K PLAN # 666786  
SAN BERNARDINO COUNTY 457F PLAN # 666787  
SAN BERNARDINO COUNTY PST PLAN # 666788  
SAN BERNARDINO COUNTY 401A PLAN # 666789  
SAN BERNARDINO COUNTY VEBA PLAN # HRA001  
SAN BERNARDINO COUNTY SHORT TERM DISABILITY (STD)  
SAN BERNARDINO COUNTY SECTION 125 (FSA) PLAN  
SAN BERNARDINO COUNTY DCAP (CAFETERIA PLAN)  
COURTS 457B PLAN # 666900  
COURTS PST PLAN # 666901  
COURTS 401K PLAN # 666902

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**END**

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Policy number: \_\_\_\_\_  
Issued to: \_\_\_\_\_

By: \_\_\_\_\_

COURTS 401A PLAN #664075  
COURTS VEBA/RMT PLAN # HRA007

- (k) The definition of **"Sponsor Organization"** is deleted in its entirety and replaced with the following:

**"Sponsor Organization"** means the **Named Sponsor**.

- (l) The definition of **"Transaction"** is deleted in its entirety and replaced with the following:

**"Transaction"** means:

- (1) the **Plan(s)** or **Named Sponsor** consolidating with, merging into, or transferring all or substantially all of its assets to any other plan, trust, person or entity or group of persons or entities acting in concert; or
- (2) any entity, regulatory agency or governmental agency, body or subdivision, or group of entities, regulatory agencies or governmental agencies, bodies or subdivisions acting in concert, assuming administrative, organizational or supervisory control of the **Named Sponsor**;

- (m) The definition of **"Wrongful Act"** is amended by deleting subparagraphs (3) and (4) thereof.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.

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***END***

ENDORSEMENT#

This endorsement, effective  
policy number  
issued to

forms a part of

by

SETTLOR CAPACITY AMENDATORY

In consideration of the premium charged, it is hereby understood and agreed that the policy is amended as follows:

I.

In Clause 2.A. Disproven Allegation Protection, paragraph (2) is deleted in its entirety.

II.

In Clause 14. DEFINITIONS, the definition of "Wrongful Act" is amended to include any actual or alleged act, error or omission by an Insured in a settlor capacity as respects a Plan.

III.

Solely with respect to the coverage afforded under this endorsement, in Clause 14. DEFINITIONS, the definition of "Insured Person" is amended to include the following at the end thereof:

"Insured Person" also means, solely with respect to a Plan, any past, present or future Executive or employee of a Sponsor Organization in his or her settlor capacity as respects a Plan.

IV.

Solely with respect to the coverage afforded under this endorsement, in Clause 14. DEFINITIONS, the definition of "Insured" is amended by deleting subparagraph (4) thereof in its entirety and replacing it with the following:

(4) Plan Committee of a Sponsor Organization, in its capacity as a fiduciary, trustee or settlor of a Plan, or in its Administration of a Plan; or

ALL OTHER TERMS, CONDITIONS AND LIMITATIONS REMAIN UNCHANGED.

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ENDORSEMENT#

This endorsement, effective  
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by

NOTICE AND REPORTING AMENDED  
90-DAY POST POLICY REPORTING PERIOD

In consideration of the premium charged, it is hereby understood and agreed that Clause 8.A(i) is deleted in its entirety and replaced with the following:

- (i) ninety (90) days after the end of the Policy Period or the Discovery Period (if applicable) if this policy is not renewed with the Insurer; or

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.

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AUTHORIZED REPRESENTATIVE



ENDORSEMENT#

This endorsement, effective  
policy number  
issued to

forms a part of

by

DEFENSE AND SETTLEMENT AMENDED  
60 DAYS TO ADVANCE DEFENSE COSTS

In consideration of the premium charged, it is hereby understood and agreed that Clause 4.C. Advancement of Defense Costs is amended by deleting the first sentence thereof in its entirety and replacing it with the following:

If the Insureds against whom a Claim is made exercise their right to assume the defense of such Claim, the Insurer shall advance, excess of any applicable Retention, covered Defense Costs, on a current basis, but no later than sixty (60) days after the Insurer has received itemized bills for those Defense Costs.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.

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AUTHORIZED REPRESENTATIVE

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ENDORSEMENT#

This endorsement, effective at  
Policy number  
Issued to:

forms a part of

By:

**AFFORDABLE CARE ACT COVERAGE EXTENSION**

In consideration of the additional premium of , it is hereby understood and agreed that the policy is amended as follows:

I.

Clause 2. EXTENSIONS, is amended to include the following at the end thereof:

AA. Affordable Care Act Coverage

This policy shall pay the Loss of an Insured arising from a Claim made against such Insured for any Healthcare Exchange Wrongful Act.

II.

Solely with respect to the coverage afforded under this endorsement, in Clause 14. DEFINITIONS, the definition of "Wrongful Act" is amended to include the following at the end thereof:

"Wrongful Act" also means any Healthcare Exchange Wrongful Act.

III.

As used herein, the following terms have the following meanings:

"Healthcare Exchange" means any public, private or government-sponsored entity set up to facilitate the purchase of health insurance in accordance with the Patient Protection and Affordable Care Act.

"Healthcare Exchange Wrongful Act" means any actual or alleged act, error or omission by an Insured in connection with insurance purchased through, or attempted to be purchased through, a Healthcare Exchange.

IV.

Solely with respect to the coverage afforded by this endorsement, the term "Plan" is amended to include any Healthcare Exchange, but no coverage shall be provided for such Healthcare Exchange.

## V.

Solely with respect to the coverage provided by this endorsement, in the event that the Insured's business is that of an insurer, insurance provider, or insurance exchange provider or marketplace, then the Insurer shall not be liable to make any payment for Loss in connection with such business, including but not limited to any professional services related thereto.

## VI.

Further, coverage as is afforded by virtue of this endorsement shall apply excess of any other valid and collectible insurance under which payment of the claim is required or actually made. If said other insurance is provided by the Insurer or any other insurance company thereof (or would be provided but for the application of the retention amount or the exhaustion of the limit of liability) (herein, "Other Policy"), then the Insurer's maximum aggregate limit of liability for all Loss combined in connection with a Claim covered, in part or in whole, by this policy and such Other Policy, shall not exceed the greater of the Limit of Liability set forth on the Declarations page of this policy or the limit of liability of such Other Policy.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.

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AUTHORIZED REPRESENTATIVE

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ENDORSEMENT#

This endorsement, effective at  
Policy number  
Issued to:

forms a part of

By:

CONDUCT EXCLUSIONS AMENDED  
(FINANCIAL ADVANTAGE; FINAL, NON-APPEALABLE ADJUDICATION IN ANY  
UNDERLYING PROCEEDING)

In consideration of the premium charged, it is hereby understood and agreed that Clause 5.B.(1) Conduct Exclusion is deleted in its entirety and replaced with the following:

- (1) Conduct arising out of, based upon or attributable to any:
- (a) profit or financial advantage to which the Insured was not legally entitled;  
or
  - (b) deliberate criminal or deliberate fraudulent act, or any knowing or willful violation of any statute, rule or law, including, but not limited to Employee Benefit Law, by the Insured;
- if established by any final, non-appealable adjudication in any underlying proceeding;

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.

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AUTHORIZED REPRESENTATIVE



ENDORSEMENT #

This endorsement, effective  
policy number  
issued to

forms a part of

by

CONTINUITY DATE  
(EXCESS LIMITS)

In consideration of the premium charged, it is hereby understood and agreed that Item 8 of the Declarations, CONTINUITY DATE, is deleted in its entirety and replaced by the following:

8. CONTINUITY DATE

A. For the first Limit of Liability: All coverages:

B. For the in excess of the first Limit of Liability: All coverages:

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.

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AUTHORIZED REPRESENTATIVE



ENDORSEMENT #

This endorsement, effective  
policy number  
issued to

forms a part of

by

CLAIM DEFINITION AMENDED

This endorsement modifies insurance provided under the following:

Fiduciary Liability Insurance Edge

In consideration of the premium charged, it is hereby understood and agreed that the definition of "Claim" is amended by deleting subparagraph (2) thereof and replacing it with the following:

- (2) a civil, criminal, arbitration or mediation proceeding for monetary, non-monetary or injunctive relief which is commenced by:
  - (i) service of a complaint or similar pleading (in the case of a civil proceeding);
  - (ii) return of an indictment, information or similar document (in the case of a criminal proceeding); or
  - (iii) receipt or filing of a notice of charges; or

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.

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AUTHORIZED REPRESENTATIVE



ENDORSEMENT #

This endorsement, effective  
policy number  
issued to

forms a part of

by

CONDUCT EXCLUSIONS AMENDED  
FINAL, NON-APPEALABLE ADJUDICATION IN ANY UNDERLYING PROCEEDING

In consideration of the premium charged, it is hereby understood and agreed that Clause 5.B.(1) Conduct Exclusion is deleted in its entirety and replaced with the following:

(1) Conduct arising out of, based upon or attributable to any:

(a) profit or advantage to which the Insured was not legally entitled; or

(b) deliberate criminal or deliberate fraudulent act, or any knowing or willful violation of any statute, rule or law, including, but not limited to Employee Benefit Law, by the Insured;

if established by any final, non-appealable adjudication in any underlying proceeding;

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.

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AUTHORIZED REPRESENTATIVE





ENDORSEMENT #

This endorsement, effective  
policy number  
issued to

forms a part of

by

PENSION CRISISFUND<sup>SM</sup> SUBLIMIT AMENDED

In consideration of the premium charged, it is hereby understood and agreed that Item 5(g) of the Declarations is deleted in its entirety and replaced with the following:

(g) Pension CrisisFund <sup>SM</sup> :	
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ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.

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AUTHORIZED REPRESENTATIVE



This endorsement, effective \_\_\_\_\_ forms a part of  
Policy number: \_\_\_\_\_  
Issued to: \_\_\_\_\_  
  
By: \_\_\_\_\_

### **EXCESSIVE FEE CLAIM RETENTION**

In consideration of the premium charged, it is hereby understood and agreed that Clause 6. **RETENTION** of the policy is amended by adding the following paragraph at the end thereof:

Notwithstanding the foregoing or any provision to the contrary, it is understood and agreed that, with regard to any **Excessive Fee Claim**, the **Insurer** shall only be liable for the amount of **Loss** arising from such **Excessive Fee Claim** which is in excess of a Retention amount of \$[in Excessive Fee Claim Retention], such Retention amount to be borne by the **Sponsor Organization** and/or the **Insureds** and shall remain uninsured, with regard to: (i) all indemnifiable **Loss**; and (ii) **Loss** of the **Sponsor Organization** or **Plan**. A single Retention amount shall apply to **Loss** arising from all **Claims** alleging the same **Wrongful Act** or related **Wrongful Acts**. In the event a **Claim** triggers more than one applicable retention amount, only the highest such amount shall apply, which amount shall apply to all **Loss** under such **Claim**.

As used herein, the term "**Excessive Fee Claim**" means any **Claim** alleging, arising out of, based upon or attributable to any direct or indirect administrative, investment, non-legal service provider, or recordkeeping fees or payments with respect to a **Plan**, including but not limited to any **Claim** alleging, arising out of, based upon or attributable to any:

- (a) revenue sharing, investment management or financial engine fees or payments with respect to any **Plan** (including any **Insured's** receipt of such fees or payments);
- (b) selection or monitoring (or lack thereof) of **Plan** investments with respect to such fees or payments; or
- (c) impact of fees or payments on the performance of any **Plan** investments.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.

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**END**

This endorsement, effective \_\_\_\_\_ forms a part of  
Policy number: \_\_\_\_\_  
Issued to: \_\_\_\_\_

By: \_\_\_\_\_

**WAIVER OF RECOURSE ENDORSEMENT**

In consideration of the additional premium of \$25 per fiduciary, such amount to be paid by funds other than from assets of any **Plan**, it is hereby understood and agreed that with respect to **Loss** as may have otherwise been covered under this policy, the **Insurer** shall have no right of recourse against any **Insured Person** except as set forth in Clause 13.A.3. *SUBROGATION AND WAIVER OF RECOURSE.*

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.

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***END***

ENDORSEMENT#

This endorsement, effective  
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forms a part of

by

NOTICE OF CLAIM  
(REPORTING BY E- MAIL)

In consideration of the premium charged, it is hereby understood and agreed as follows:

1. Email Reporting of Claims: In addition to the postal address set forth for any Notice of Claim Reporting under this policy, such notice may also be given in writing pursuant to the policy's other terms and conditions to the Insurer by email at the following email address:

c- claim@AIG.com

Your email must reference the policy number for this policy. The date of the Insurer's receipt of the emailed notice shall constitute the date of notice.

In addition to Notice of Claim Reporting via email, notice may also be given to the Insurer by mailing such notice to: , , or faxing such notice to (866) 227- 1750.

2. Definitions: For this endorsement only, the following definitions shall apply:
  - (a) "Insurer" means the "Insurer," "Underwriter" or "Company" or other name specifically ascribed in this policy as the insurance company or underwriter for this policy.
  - (b) "Notice of Claim Reporting" means "notice of claim/circumstance," "notice of loss" or other reference in the policy designated for reporting of claims, loss or occurrences or situations that may give rise or result in loss under this policy.
  - (c) "Policy" means the policy, bond or other insurance product to which this endorsement is attached.
3. This endorsement does not apply to any Kidnap & Ransom/Extortion Coverage Section, if any, provided by this policy.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.

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AUTHORIZED REPRESENTATIVE



ENDORSEMENT#

This endorsement, effective at  
Policy number  
Issued to:

forms a part of

By:

ECONOMIC SANCTIONS ENDORSEMENT

This endorsement modifies insurance provided under the following:

Coverage shall only be provided and payment of loss under this policy shall only be made in full compliance with enforceable United Nations economic and trade sanctions and the trade and economic sanction laws or regulations of the European Union and the United States of America, including, but not limited to, sanctions, laws and regulations administered and enforced by the U.S. Treasury Department's Office of Foreign Assets Control ("OFAC").

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.

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ENDORSEMENT #

This endorsement, effective at  
Policy number  
Issued to:

forms a part of

By:

**FEDERAL SHARE OF COMPENSATION UNDER TRIA AND CAP ON LOSSES  
ENDORSEMENT**

This endorsement modifies insurance provided by this Policy:

**DISCLOSURE**

You should know that where coverage is provided by this Policy for losses resulting from "Certified Acts of Terrorism" (as defined by Section 102 (1) of United States Terrorism Risk Insurance Act), such losses may be partially reimbursed by the United States Government under a formula established by federal law. However, your Policy may contain other exclusions which might affect your coverage such as, an exclusion for nuclear events. Under the formula, the United States Government generally reimburses 85% through 2015; 84% beginning on January 1, 2016; 83% beginning on January 1, 2017; 82% beginning January 1, 2018; 81% beginning January 1, 2019 and 80% beginning on January 1, 2020, of covered terrorism losses exceeding the statutorily established deductible paid by the insurance company providing the coverage.

You should also know that the Terrorism Risk Insurance Act, as amended, contains a \$100 billion cap that limits United States Government reimbursement as well as insurers' liability for losses resulting from "Certified Acts of Terrorism" when the amount of such losses in any one calendar year exceeds \$100 billion. If the aggregate insured losses for all insurers exceed \$100 billion in a calendar year and if we have met our insurer deductible, we are not liable for the payment of any portion of the amount of such losses that exceeds \$100 billion; and for aggregate insured losses up to \$100 billion, we will only pay a pro rata share of such insured losses as determined by the Secretary of the Treasury.

**ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.**

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AUTHORIZED REPRESENTATIVE



ENDORSEMENT#

This endorsement, effective  
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by

## FORMS INDEX ENDORSEMENT

The contents of the Policy is comprised of the following forms:

FORM NUMBER	EDITION DATE	FORM TITLE

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.

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SPECIMEN