

September 23, 2008

Becky Van Wyk
Fresno County Employees' Retirement Association as respects to Building Located at 1111 H.
Street, Fresno, CA 93721
1111 H Street
Fresno, CA 93721

RE: Special Liability Insurance Program (SLIP)
Allied World National Assurance Company
September 29, 2008 to September 29, 2009

Dear Member:

We are pleased to announce that we have successfully replaced coverage for the SLIP program with Allied World National Assurance Company effective September 29, 2008. Like the expiring carrier Everest, Allied is a non-admitted insurer. Allied is rated as A Excellent, FSC XV (highest rating) with A.M. Best Company. The policy form, terms and conditions will remain as per the expiring coverage form. This year, we were able to obtain very favorable premium terms which allowed an overall decrease in premium.

During the year we found that Everest was becomingly increasingly restrictive in their willingness to add risks to the program. That coupled with a poor response time on renewal terms led us to seek alternate quotes from the market. Fortunately, we were successful in renewing coverage with no changes to the policy form, terms or conditions while still obtaining a decrease in premium.

Attached you will find:

- Proposal for the policy period September 29, 2008 to September 29, 2009
- Invoice
- Confirmation of Binding form
- Policyholder Disclosure Notice of Terrorism Insurance Coverage
- Strategic Human Resources flyer with information on services available to SLIP members

IMPORTANT!

In order to renew your coverage under the SLIP program, we will need the following information returned to us no later than October 29, 2008:

1. Payment of your premium by October 29, 2008
2. Complete, signed Confirmation of Binding
3. Completed, signed Policyholder Disclosure Notice of Terrorism Insurance Coverage Form

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We are pleased to continue to offer free membership in the SLIP Human Resources Membership Program. This program is one of a number of important SLIP benefits. Many of our smaller SLIP members do not have the necessary staffing to adequately manage Human Resources requirements and you may find that our Human Resources Management Program is a very attractive alternative to meet many of your HR consulting needs. This program is available to you at no cost and we would encourage you to review the attached Human Resources flyers. In addition, this year, our Strategic HR Department will be offering free on-line harassment training to meet the requirements of AB1825 as a part of the SLIP Human Resources Membership Program benefits package.

We wish to thank you for your patience and continued support of the Special Liability Insurance Program (SLIP) renewal this year. We shall continually look for the best market, coverage and pricing for our members.

As always, the entire SLIP team is available should you have any questions. Please feel free to call 800-821-9283 and ask for Sheryl Fitzgerald, Mary Ellen Ewert or myself.

Sincerely,

ALLIANT INSURANCE SERVICES, INC.

A handwritten signature in black ink, appearing to read 'John Peterson', with a stylized, cursive script.

John Peterson
Account Manager

Enc.



DRIVER SPECIALTY GROUP

**SPECIAL LIABILITY INSURANCE PROGRAM (SLIP)
PROPOSAL
SEPTEMBER 29, 2008 TO SEPTEMBER 29, 2009**

NAMED INSURED: Fresno County Employees' Retirement Association as respects to Building Located at 1111 H. Street, Fresno, CA 93721

PROGRAM TERM: 9/29/08 to 9/29/09

INSURANCE COMPANY: Allied World National Assurance Company

***AM BEST RATING:** A, Excellent
Financial Size Category XV;
\$2,000,000,000 or Greater

***STANDARD & POOR RATING:** A-

CALIFORNIA STATUS: Non-Admitted

POLICY NUMBER: TBD

COVERAGE: Manuscript Liability Form on an Occurrence Basis. Coverage included for:

(Coverage applies only where checked)

		LIMIT
Maximum Per Occurrence Limit for all Coverages Combined		\$5,000,000

		LIMIT	DED/SIR
X	Personal Injury (Including Bodily Injury and Property Damage)	\$5,000,000	\$5,000
	Broadcasters Liability		
	Owned Automobile Liability		
	Uninsured Motorist Coverage		
	Non-Owned and Hired Automobile Liability		
	Nonprofit Directors and Officers Liability		
	Public Officials Errors and Omissions		
	Educators Legal Liability		
	Employment Practices Liability		
	Nose Coverage		
	Retro Date:		

Annual Aggregate Limits		LIMIT
X	Products / Completed Operations	\$5,000,000
	Public Officials E&O or Non-Profit D&O or Educators Legal Liability	
	Employment Practices Liability	

**See last page for additional information.*

SUBLIMITS:

(Coverage applies only where checked)

		LIMIT	DED/SIR
X	Fire Damage Liability (Sublimit of Personal Injury/property Damage Coverage Limit)	\$1,000,000	\$5,000

- Limits are exhausted by Indemnity and Defense Cost.
- Limits are Per Occurrence.
- There is no General Aggregate.
- If selected, Nose Coverage is applicable to Public Officials Error and Omissions, Non-Profit Directors and Officers Liability and/or Employment Practices Liability, whichever is checked.
- Limits apply to each entity in the program.

TERM PREMIUM:

* Taxes, surplus lines fee and brokerage fees are included.

Premium:	\$5,747.00
Taxes:	\$172.41
Stamp Fee:	\$7.18
Other State Fee:	\$0.00
Program Fee:	\$689.64
Total Cost:	\$6,616.23

25% Minimum Earned Premium
 TRIA Option: 5% of premium plus applicable taxes and fees

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

SUBJECT TO AUDIT: NO

MAJOR EXCLUSIONS:

- Workers' Compensation
- Asbestos
- Auto Liability (unless Owned Auto coverage provided)
- Uninsured Motorist coverage except if Auto Liability marked X'd above, or unless coverage specifically requested and in file
- Failure to Supply
- Pollution Except for Hostile Fire and Vehicle Upset / Overturn coverage
- Inverse Condemnation / Eminent Domain
- Care, Custody, and Control
- Medical Payment Coverage
- Dam Liability
- All Aircraft; Watercraft over 51 feet in length
- Airports
- Medical Malpractice (except incidental)
- Subsidence
- Nuclear Material
- ERISA
- Fungi or Bacteria
- War or Terrorism
- Securities and Financial Interest
- Mold
- Public Officials Errors & Omissions (if Directors & Officers applies)
- Directors & Officers (if Public Officials Errors & Omissions applies)
- Montrose Exclusion – Prior knowledge of incident or loss
- Abuse & Molestation (Coverage can be added at an additional cost)
- Residential Construction
- Athletic Participants
- Transit Operations
- Bodily Injury of Tenants or Guests of Tenants for Habitational Risks
- Insurance Agent/Claims Administration/Mortgage Broker

CLAIMS REPORTING: Please contact Alliant to report claims. Program and Deductible loss adjustment will be provided by Carl Warren and Co.

PROPOSAL DATE: September 23, 2008

BROKER: **ALLIANT INSURANCE SERVICES, INC. • NEWPORT BEACH, CA**
Gordon B. DesCombes, Senior Vice President
Rick Steddom, Vice President
Christine Tobin, Vice President
John Peterson, Account Manager
Sheryl Fitzgerald, Account Manager

SUBJECT TO POLICY TERMS, CONDITIONS AND EXCLUSIONS

*THIS SUMMARY IS FOR INFORMATION PURPOSES ONLY AND DOES NOT ALTER THE POLICY IN ANY WAY.
PLEASE REFER TO THE POLICY FORM FOR COMPLETE COVERAGE, TERMS & CONDITIONS AND EXCLUSIONS.*



**Analyzing insurers' over-all performance and financial strength is a task that requires specialized skills and in-depth technical understanding of all aspects of insurance company finances and operations.*

Insurance brokerages such as Alliant Insurance Services, Inc. typically rely upon rating agencies for this type of market analysis. Both A.M. Best and Standard and Poor have been industry leaders in this area for many decades, utilizing a combination of quantitative and qualitative analysis of the information available in formulating their ratings.

A.M. Best has an extensive database of nearly 6,000 Life/Health, Property Casualty and International companies. You can visit them at www.ambest.com

For additional information regarding insurer financial strength ratings visit Standard and Poor's website at www.insure.com/ratings/profiles/

To learn more about companies doing business in California, visit the California Department of Insurance website at www.insurance.ca.gov

Special Liability Insurance Program (SLIP)
 Alliant Insurance Services, Inc.
 1301 Dove St., Ste. 200
 Newport Beach, CA 92660

INVOICE

SLIP INVOICE

TO:			INVOICE NUMBER	INVOICE DATE
Fresno County Employees' Retirement Association as respects to Building Located at 1111 H. Street, Fresno, CA 93721 1111 H Street Fresno, CA 93721			17196	09/23/08
			CUSTOMER NUMBER	PRODUCER
			FR298361	5810
				INVOICE TOTAL
				\$6,616.23
POLICY INFORMATION				
TYPE OF POLICY: G/L - MUNICIPALITIES				
INVOICE NO: 17196				
INSURANCE COMPANY: Allied World National Assurance				
POLICY #: TBD				
NAMED INSURED: Fresno County Employees' Retirement Association as respects to Building Located at 1111 H. Street, Fresno, CA 93721				
POLICY EXPIRATION DATE: 09/29/09				
TRANSACTION: RENEWAL POLICY				
TRANSACTION EFFECTIVE DATE: 09/29/08				
CHARGES				AMOUNT
G/L – MUNICIPALITIES				\$5,747.00
STATE TAXES				\$172.41
STAMPING FEE				\$7.18
PROGRAM FEE				\$689.64
PREMIUM FOR LIABILITY COVERAGE EFFECTIVE 9/29/08 TO 9/29/09				
PLEASE MAKE CHECK OUT TO ALLIANT INSURANCE SERVICES, INC. PLEASE RETURN A COPY OF INVOICE WITH YOUR PAYMENT. REMEMBER TO INCLUDE YOUR CUSTOMER NUMBER ON YOUR CHECK. THANK YOU.				TOTAL \$6,616.23 (Inclusive of all applicable taxes, fees and brokerage fees)

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

For service on this policy or information concerning your insurance, please contact:
 Sheryl Fitzgerald at Alliant Insurance Services, Inc. • 1-800-821-9283 Ext. 161

**POLICYHOLDER DISCLOSURE
NOTICE OF TERRORISM INSURANCE COVERAGE
DISCLOSURE OF PREMIUM**

Date: September 27, 2008

Member: **Fresno County Employees' Retirement Association as respects to Building Located at 1111 H. Street, Fresno, CA 93721**

We are required to send you this notice pursuant to federal legislation concerning terrorism insurance.

You are hereby notified that under the federal Terrorism Risk Insurance Act, as extended on December, 26 2007 by the enactment of the Terrorism Risk Insurance Program Reauthorization Act of 2007, you now have the right to purchase insurance coverage for losses arising out of an act of terrorism, which is defined in the Act as an act certified by the Secretary of the Treasury (i) to be an act of terrorism, (ii) to be a violent act or an act that is dangerous to (A) human life; (B) property or (C) infrastructure, (iii) to have resulted in damage within the United States, or outside of the United States in case of an air carrier or vessel or the premises of a U.S. mission and (iv) to have been committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion. You should read the Act for a complete description of its coverage. The Secretary's decision to certify or not to certify an event as an Act of Terrorism and thus be covered by this law is final and not subject to review. There is a \$100 billion dollar annual cap on all losses resulting from Acts of Terrorism above which no coverage will be provided under this policy and under the Act unless Congress makes some other determination.

YOU SHOULD KNOW THAT TERRORISM COVERAGE REQUIRED TO BE OFFERED BY THE ACT FOR LOSSES CAUSED BY CERTIFIED ACTS OF TERRORISM IS PARTIALLY REIMBURSED BY THE UNITED STATES UNDER A FORMULA ESTABLISHED BY FEDERAL LAW. UNDER THIS FORMULA, THE UNITED STATES PAYS 85% OF COVERED TERRORISM LOSSES EXCEEDING THE STATUTORILY ESTABLISHED DEDUCTIBLE PAID BY THE INSURANCE COMPANY PROVIDING COVERAGE. THE PREMIUM CHARGED FOR THIS TERRORISM COVERAGE WILL BE AN ADDITIONAL 5% OF YOUR POLICY PREMIUM, AND WILL NOT INCLUDE ANY CHARGES FOR THE PORTION OF THE LOSS COVERED BY THE FEDERAL GOVERNMENT UNDER THE ACT.

SELECTION OR REJECTION OF TERRORISM INSURANCE COVERAGE

WHAT YOU NEED TO DO NOW:

PLEASE "X" ONE OF THE BOXES BELOW AND RETURN THIS FORM TO YOUR INSURANCE BROKER.

<input type="checkbox"/>	I accept Terrorism coverage as required to be offered under the Act.
<input type="checkbox"/>	I decline to purchase the Terrorism coverage as required to be offered under the Act.

Policyholder/applicant signature

Print Name

Date

Fresno County Employees' Retirement Association as respects to Building Located at 1111 H. Street,
Fresno, CA 93721

Named Insured (Please Print or Type)