



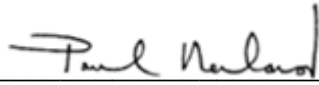
Inter Office Memo

DEPARTMENT OF
PERSONNEL SERVICES

ITEM 13

DATE: September 26, 2014

TO: Deferred Compensation Management Council

FROM: Paul Nerland, Personnel Services Manager 

SUBJECT: Status Update on Prior Agenda Items

On August 29, 2013 your Council directed staff to secure a \$5 million fiduciary liability insurance policy for your Council. On July 15, 2014, the Board of Supervisors approved the policy, which is effective through July 1, 2015. Please see Attachment A for a summary of this policy.

On February 27, 2014 your Council directed staff to pursue a one-year extension of Agreement #11-371 with Heintzberger-Payne Advisors, who provide investment and policy consultation services to the Deferred Compensation Management Council. On May 20, 2014, the Board of Supervisors approved the First Amendment to Agreement #11-371, extending the Agreement through December 12, 2015.

ITEM 13 - ATTACHMENT A



REVISED
COUNTY OF FRESNO 457 (b) DEFERRED COMPENSATION PLAN
FIDUCIARY LIABILITY INSURANCE PROGRAM (FLIP)
2014-2015 INSURANCE PROPOSAL

INSURANCE COMPANY:		RLI Insurance Company
A.M. BEST GUIDE RATING:*		A+ (Superior), Financial Size Category: XI (\$750 Million to \$1 Billion), as of June 17, 2013
STANDARD & POOR'S RATING:*		A+ (Strong), pulled on January 15, 2014
CALIFORNIA STATUS:		Admitted
INSURED PLANS:		County of Fresno Deferred Compensation Plan
COVERAGE TERM:		To be determined
CONTINUITY DATE:		Inception
COVERAGE:		Fiduciary Liability – Claims-Made Form Form Number: GEF 100 (4/11) / GEF 101 (4/11)
LIMITS:	Option I:	\$ 5,000,000 Aggregate Limit of Liability (including Defense Costs) \$ 500,000 Sublimit of Liability for (VCP) Voluntary Compliance Program Compliance Fees \$ 1,500,000 HIPAA Sublimit
	Option II:	\$10,000,000 Aggregate Limit of Liability (including Defense Costs) \$ 500,000 Sublimit of Liability for (VCP) Voluntary Compliance Program Compliance Fees \$ 1,500,000 HIPAA Sublimit
RETENTION:		\$ 1,000,000 Indemnifiable \$ 0 Non-Indemnifiable
PREMIUM:	Option I:	\$ 10,235 Annual Premium
	Option II:	\$ 14,014 Annual Premium
WAIVER OF RECOURSE:		\$100 flat (included in premium above)
EXTENDED REPORTING PERIOD:		<ul style="list-style-type: none">• 12 months for 100% of the annual premium• 24 months for 175% of the annual premium• 36 months for 200% of the annual premium• 72 months upon request and carrier approval
PROGRAM HIGHLIGHTS: (Including but not limited to)		<ul style="list-style-type: none">• Definition of Loss to include Punitive, Exemplary, and Multiplied Damages (where insurable) with Most Favorable Venue wording.• Definition of Insured Persons to include Employees of any Insured Plan.• Non Cancellable by Insurer other than for Non Payment of Premium.

*See last page for additional information

Alliant Insurance Services, Inc.
1301 Dove Street, Suite 200, Newport Beach CA 92660-2511 ♦ 949-756-0271
Lic #0C36861 ♦ www.alliantinsurance.com

REVISED
COUNTY OF FRESNO 457 (b) DEFERRED COMPENSATION PLAN
FIDUCIARY LIABILITY INSURANCE PROGRAM (FLIP)
2014-2015 INSURANCE PROPOSAL

PROGRAM HIGHLIGHTS:
(Including but not limited to)
cont'd

- Policy is Non Rescindable by Insurer
- Wrongful Act definition includes administrative duties; counseling employees, participants, and beneficiaries; handling of records; failure to comply with privacy provisions of HIPAA.
- Notice/Claim Reporting Provision – notice required after General Council, Risk Manager or Trustee first learns of claim.
- No Libel or Slander exclusion
- Defense cost coverage for performance of managed care services with respect to selection of medical or health service providers.
- Final Adjudication wording for conduct exclusions.
- Employee Benefit Law defined to acknowledge Public Entity Risks not subject to ERISA
- Modified Consent to Settle Clause to 80%/20%
- Severability for all exclusions.
- Spousal Extension amended to include Domestic Partner
- Priority of Payments provision
- Severability of Application.
- Extended Reporting Period (Discovery Period) available for one to six years.
- Automatic Coverage for COBRA Violations

ENDORSEMENTS &
EXCLUSIONS (Including but not
limited to):

- Failure to collect Contributions Exclusion
- Return of Contributions Exclusion
- Bodily Injury, Mental Anguish, Emotional Distress, Sickness, Disease or Death and Property Damage Exclusion
- Contractual Liability Exclusion
- Illegal Profit Exclusion
- Discrimination Except for Employee Benefit Law Exclusion
- Known Prior Acts Exclusion
- Pollution Exclusion
- Workers Compensation, Unemployment Insurance, Social Security or Disability Benefits Laws Exclusion
- Deliberate Fraudulent or Dishonest Acts Exclusion

QUOTE VALID UNTIL:

February 15, 2014

CONDITIONS:

- Payment due within 15 days of binding
- 25% Minimum Earned Premium

BINDING CONDITIONS:

- Written request to bind coverage
- Fiduciary Liability application signed and dated



REVISED
COUNTY OF FRESNO 457 (b) DEFERRED COMPENSATION PLAN
FIDUCIARY LIABILITY INSURANCE PROGRAM (FLIP)
2014-2015 INSURANCE PROPOSAL

DATE PREPARED: January 15, 2014

BROKER: **ALLIANT INSURANCE SERVICES, INC.**

Rennetta Poncy, First Vice President
Mariana Salyer, CSAC EIA Program Specialist

This proposal of insurance is provided as a matter of convenience and information only. All information included in this proposal, including but not limited to personal and real property values, locations, operations, products, data, automobile schedules, financial data and loss experience, is based on facts and representations supplied to Alliant Insurance Services, Inc. by you. This proposal does not reflect any independent study or investigation by Alliant Insurance Services, Inc. or its agents and employees.

Please be advised that this proposal is also expressly conditioned on there being no material change in the risk between the date of this proposal and the inception date of the proposed policy (including the occurrence of any claim or notice of circumstances that may give rise to a claim under any policy which the policy being proposed is a renewal or replacement). In the event of such change of risk, the insurer may, at its sole discretion, modify, or withdraw this proposal whether or not this offer has already been accepted.

This proposal is not confirmation of insurance and does not add to, extend, amend, change, or alter any coverage in any actual policy of insurance you may have. All existing policy terms, conditions, exclusions, and limitations apply. For specific information regarding your insurance coverage, please refer to the policy itself. Alliant Insurance Services, Inc. will not be liable for any claims arising from or related to information included in or omitted from this proposal of insurance.

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.

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 typically rely upon rating agencies for this type of market analysis. Both A.M. Best and Standard and Poor's 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.standardandpoors.com.

Our goal is to procure insurance for you with underwriters possessing the financial strength to perform. Alliant does not, however, guarantee the solvency of any underwriters with which insurance or reinsurance is placed and maintains no responsibility for any loss or damage arising from the financial failure or insolvency of any insurer. We encourage you to review the publicly available information collected to enable you to make an informed decision to accept or reject a particular underwriter. To learn more about companies doing business in your state, visit the Department of Insurance website for that state.

Your policy will come with specific claim reporting requirements. Please make sure you understand these obligations. Contact your Alliant Service Team with any questions.

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