



MINUTES OF THE ACCEL UNDERWRITING COMMITTEE TELECONFERENCE MEETING

Tuesday, May 9, 2017 at 1:30 PM

PRIMARY TELECONFERENCE LOCATION:

Alliant Insurance Services, Inc., 100 Pine Street, 11th Fl, San Francisco, CA 94111

MEMBERS PRESENT:

Betsy McClinton, City of Burbank
Ann Richey, City of Ontario
Mark Howard, City of Santa Barbara
Deb Hossli, City of Santa Monica

MEMBERS ABSENT:

Sandra Blanch, City of Palo Alto

GUESTS AND CONSULTANTS:

Michael Simmons, Alliant
Conor Boughey, Alliant
Daniel Howell, Alliant (*left the call after 30 mins*)
Lorissa Huey, Alliant

A. CALL TO ORDER

Ann Richey called the meeting to order at 1:30 PM.

B. Consent Calendar

B1. Approval of the Minutes of the November 30, 2016 Underwriting Committee Mtg

A motion to approve the consent calendar.

MOTION: Mark Howard **SECOND:** Ann Richey **MOTION CARRIED**

| | Betsy McClinton | Ann Richey | Mark Howard | Deb Hossli |
|---------|-----------------|------------|-------------|------------|
| Aye | X | X | X | X |
| Nay | | | | |
| Abstain | | | | |



C. General Risk Management Issues

There was no discussion on this item.

D. REPORTS

D1. Underwriting Committee's Report

D1a. Memorandum of Coverage and Cyber Liability Coverage

Conor Boughey noted that at the April Board meeting, the Board took action to have the Underwriting Committee review the MOC and Cyber Liability. ACCEL's MOC does not exclude Cyber Liability coverage, but many components of a large cyber breach would not be covered, such as fines, assessments, penalties, etc because there is an exclusion in the MOC.

The Agenda Packet contained cyber claim scenarios that calculate the amount of a loss that would fall under notification, investigation and regulatory fines and assessments, and these would not be recoverable from ACCEL.

Members asked questions and questions were answered.

A motion was made to keep the current MOC language the same.

MOTION: Deb Hossli

SECOND: Ann Richey

MOTION CARRIED

| | Betsy McClinton | Ann Richey | Mark Howard | Deb Hossli |
|---------|-----------------|------------|-------------|------------|
| Aye | X | X | X | X |
| Nay | | | | |
| Abstain | | | | |



D1b. Excess Liability Policy: Multi-Member Occurrence

Conor Boughey reminded the Committee that at the April Board Meeting, the ACCEL Board reviewed the MOC and excess language and took action to maintain the language in place.

The ACCEL Memorandum of Coverage’s definition of Retained Limit does not address an occurrence in which two Member Agencies are named. However, under the Member Agency definition, it is on a “per occurrence, per covered party” basis. The ANML language states that in the event of a multi-member occurrence each member would pay their SIR, then the ACCEL pool layer and then each member would have a tower of excess.

The Committee members asked questions and discussed to keep the language how it currently stands.

A motion was made by Ann Richey to change the language to have 1 SIR, 1 limit if two or more member cities are involved in the same claim, and instruct the Program Administrators to obtain that option from the ANML program. The motion was withdrawn for a lack of a second.

D1c. Definition of Damages

Conor Boughey reported that all the way back to 1997, the ACCEL Memorandum of Coverage is missing the definition of the term, damages. The Program Administrators presented three different definitions of the term, damages from a primary pool, MBASIA, an excess pool, CARMA, and CSAC-EIA GL1.

A motion was made to ask Byrne Conley to provide a coverage opinion on which definition would work best for ACCEL and bring back to the June Board Meeting.

MOTION: Betsy McClinton

SECOND: Ann Richey

MOTION CARRIED

| | Betsy McClinton | Ann Richey | Mark Howard | Deb Hossli |
|---------|-----------------|------------|-------------|------------|
| Aye | X | X | X | X |
| Nay | | | | |
| Abstain | | | | |



E. UNFINISHED BUSINESS

None.

F. NEW BUSINESS

None.

G. CORRESPONDENCE / INFORMATION

None.

H. PUBLIC COMMENTS

No public comments were made.

ADJOURNMENT

Ann Richey adjourned the meeting at 2:45 PM.