

8-11-2016

Finance Committee Meeting Packet 08/11/2016

UC Hastings Board of Directors

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HASTINGS
COLLEGE
OF THE LAW

**FINANCE COMMITTEE
MEETING**

August 11, 2016



NOTICE OF MEETING

The Finance Committee of the University of California Hastings College of the Law Board of Directors will hold an Open Meeting on Thursday, August 11, 2016.

EVENT: Meeting of the University of California
Hastings College of the Law Board of Directors
Finance Committee Meeting

DATE: Thursday, August 11, 2016

PLACE: UC Hastings College of the Law
Office of the General Counsel
A. Frank Bray Board Room
198 McAllister Street, 1-Mezzanine
San Francisco, California 94102

STARTING TIME: 12:00 p.m.

AGENDA: See Attached

This notice is available at the following University of California, Hastings College of the Law website address: <http://www.uchastings.edu/board>

For further information please contact Elise Traynum, Secretary of the Board of Directors, 198 McAllister Street, San Francisco, CA 94102, (415) 565-4851. You are encouraged to inform Ms. Traynum of your intent to speak during the public comment period 72 hours in advance of the meeting.

The University of California, Hastings College of the Law subscribes to the Americans with Disabilities Act. Please contact the Secretary's Office by 10 a.m. on Monday, August 8, 2016, for accommodations.



**UNIVERSITY OF CALIFORNIA
HASTINGS COLLEGE OF THE LAW**

**FINANCE COMMITTEE MEETING
OPEN MEETING AGENDA**

Thursday, August 11, 2016
12:00 p.m. – 1:45 p.m.
UC Hastings College of the Law
A. Frank Bray Board Room
198 McAllister Street - 1-Mezzanine
San Francisco, CA 94102

1. Roll Call

Chair Don Bradley
Director Tina Combs
Director Marci Dragun
Director Claes Lewenhaupt
Director Courtney Power
Director Chip Robertson

- | | | |
|-----|--|-----------|
| 2. | Public Comment Period | (Oral) |
| *3. | Approval of Minutes – May 12, 2016 | (Written) |
| 4. | 2015-16 Year-end Investment Report | (Written) |
| 5. | State Budget Report - Preliminary 2015-16 Year-end | (Written) |
| *6. | Core Operations - State Budget for 2016-17 | (Written) |
| 7. | Core Operations – State Budget Planning for 2017-18 | (Oral) |
| 8. | Non State Budget Report - Preliminary 2015-16 Year-end | (Written) |

- *9. Non State Budget for 2016-17 (Written)
- 10. Preliminary 2015-16 Year-end Auxiliary Enterprises Budget Report (Written)
- 11. Budget Changes – 2016-17 Auxiliary Enterprises
 - *11.1 McAllister Tower – Skyroom – Interior Finishes Renewal (Written)
 - *11.2 McAllister Tower – Elevator Cab Renewal (Written)
 - *11.3 Parking Garage – Special Maintenance (Written)
- 12. State Contracts in Excess of \$50,000
 - *12.1 Kane Hall Master Planning – MK Think (Written)
 - *12.2 Software & Information Technology – Simplr (Written)
 - *12.3 Graphics Design – Mortar (Written)
 - *12.4 Professional Services - Partners in Communication (Written)
- 13. Nonstate Contracts and Grants in Excess of \$50,000
 - *13.1 Ctr. Gender & Refugee Studies – Nat’l Science Foundation Grant (Written)
 - *13.2 Ctr. for Innovation Law – National Science Foundation Grant (Written)
- 14. Update on Long Range Campus Plan (Oral)
- 15. Annual Report on Insurance Coverage – 2016-17 (Written)
- 16. Listing of Checks and Wire Transfers over \$50,000 (Written)
- *17. Adjournment

FINANCE COMMITTEE MEETING

Roll-Call

Here Absent

- | | | |
|--------------------------|--------------------------|---------------------------|
| <input type="checkbox"/> | <input type="checkbox"/> | Chair Don Bradley |
| <input type="checkbox"/> | <input type="checkbox"/> | Director Tina Combs |
| <input type="checkbox"/> | <input type="checkbox"/> | Director Marci Dragun |
| <input type="checkbox"/> | <input type="checkbox"/> | Director Claes Lewenhaupt |
| <input type="checkbox"/> | <input type="checkbox"/> | Director Courtney Power |
| <input type="checkbox"/> | <input type="checkbox"/> | Director Chip Robertson |

Start Time: _____:_____p.m.

FINANCE COMMITTEE MEETING

Public Comment Period

This item is reserved for members of the public to comment on non-agenda and agenda items.

OPEN FINANCE COMMITTEE MEETING

ACTION ITEM: Approval of Minutes: May 12, 2016



**UNIVERSITY OF CALIFORNIA
HASTINGS COLLEGE OF THE LAW**

**FINANCE COMMITTEE
OPEN SESSION**

May 12, 2016– 12:30 p.m.
UC Hastings College of the Law
Office of the General Counsel
A. Frank Bray Board Room, 1-Mezzanine
198 McAllister Street, A. Frank Bray Board Room
San Francisco, California 94102

Chair Don Bradley called the meeting to order at 12:30 p.m. and the Secretary called the roll.

1. ROLL CALL

Committee Members Present in Answer to Roll Call:

Chair Don Bradley
Director Tina Combs
Director Claes Lewenhaupt
Director Chip Robertson
Director Marci Dragun
Director Courtney Power

Staff Present:

Acting Chancellor & Dean David Faigman
Chief Financial Officer David Seward
General Counsel Elise Traynum
Provost & Academic Dean Elizabeth Hillman
Controller Debbie Tran

2. Public Comment Period

Chair Don Bradley opened the Public Comment Period. Hearing no requests from the public to speak, Chair Bradley closed the Public Comment Period.

3. Approval of Minutes – February 11, 2016

Chair Bradley called for approval of the February 11, 2016. Hearing no corrections, the Minutes were approved and ordered filed as distributed.

4. Investment Report as of March 31, 2016

Chief Financial Officer David Seward presented the investment report as of March 31, 2016, including detail about changes in the market, GEP levels over time, and the status of the investment pool. He reported a return of 4.89%. He cautioned that the investment return missed the UC GEP policy benchmark due to the volatility of the market.

Chief Financial Officer David Seward reported that the STIP balance was lower than normal. Generally, the College is cash poor this time of the year. He explained that he may bring back to the Committee an action item to liquidate some of the GEP investments to cover the cash deficit situation.

Chief Financial Officer David Seward mentioned that a representative from the Treasurer's office will be brought in to give the Board a presentation on the University of California's endowment investment strategy and outcomes. He will request that the Treasurer attend the August Finance Committee meeting.

5. State Budget Report for 2015-16 as of March 31, 2016

Chief Financial Officer David Seward summarized the state budget report as distributed. He reported that the budget was on target with an upside in revenue. He noted that the Summer Legal Institute continues to show a profit. He discussed the reserves, noting the difference between the state planned funds versus the reserves for which the Board has discretion. He mentioned the impact of tuition discounting on the reserves. Extensive discussion ensued on the College's operating budget and the various deficit reduction measures instituted by the College. Chief Financial Officer David Seward reiterated that the Board approved a continuation of the 40-50% discount rates for the current admissions cycle.

*6. Auxiliary Enterprises Budget Report for 2015-16 as of March 31, 2016

Chief Financial Officer David Seward presented the Auxiliary Enterprises Budget Report for 2015-16 as of March 31, 2016, as distributed. He reported that the budget was on target, especially with the 6% rent increase for McAllister Tower. He highlighted that the parking garage was fully leased with the UCSF personnel moving in a couple of months ago. The parking garage average net is \$6,000 to \$7,000 Monday through Friday. A lengthy discussion ensued on opportunities to increase parking revenues on the weekend when special events are held in the area. In response to questions, Chief Financial Officer David Seward stated that this is the first full fiscal year that the parking garage had a positive cash flow after debt service.

7. State Budget Update 2016-17

Chief Financial Officer David Seward summarized the state budget report as distributed. He reported that the Governor provided an allocation of \$2 million to fund deferred maintenance in the state supported facilities. The funding will not be included in the College's state appropriation, and the College will have to apply for the money as if it is a

grant. The College will submit documentation on deferred maintenance projects to justify receiving the funds. He explained that the money could fund the replacement of the undersized emergency generator in the 200 McAllister Street building. Also, the funds could be used to fund window cleaning. Furthermore, Chief Financial Officer David Seward noted that the money would help support the long range campus planning efforts, including roof replacement of the 200 McAllister building. He mentioned that the UC system received \$35 million system wide for deferred maintenance, as opposed to UC Hastings' \$2 million.

*8. State Contracts in Excess of \$50,000

- 8.1 Kane Hall Facade Project- Construction Services- \$189,000
- 8.2 Temporary Staffing Service- RemX Specialty Staff

Chief Financial Officer David Seward explained that the College has used RemX in the past for accounting and executive assistant staff. Typically, the cost of the services exceed \$50,000 each year.

- 8.3 Offices Supplies- Office Max- \$50,000

Upon motion duly made, seconded, and carried, the Finance Committee recommended that the Board of Directors approve the above contracts in excess of \$50,000.

*9. Nonstate Contracts in Excess of \$50,000

- *9.1 Engineering Services – American Building Maintenance- \$560,000
- *9.2 Consulting Services – WorkLife Law - Cynthia Calvert- \$65,000

Upon motion duly made, seconded, and carried, the Finance Committee recommended that the Board of Directors approve the above nonstate contracts in excess of \$50,000.

*10. Non-State Budget Changes 2015-2016

Chief Financial Officer David Seward requested approval to amend the 2015-16 budget for the following;

10.1 Hastings Public Interest Fellowships-Summer Grants: Request was made for an allocation of \$80,000 from nonstate unrestricted funds. The fellowships would be provided to students in the form of summer grants to place students in public interest agencies. It is intended that the Hastings Public Interest Law Foundation would match the College's financial contribution to the program. He noted that even with this allocation, less than half of the HPILF applicants would receive support this year.

10.2 There was a lengthy discussion on the UC's commitment to public service. Recently, President Napolitano announced making a \$4.5 appropriation for public service and post graduate positions for its students. Acting Chancellor & Dean David Faigman commented that he wrote a letter to President Napolitano, emphasizing UC Hastings' public service record and requesting consideration for sharing some of the funds with the College to support our students who chose public service.

10.3 Kane Hall Repurposing Shelving Removal: Request was made to allocate \$50,000 from the state plant fund reserves form removal of shelves from the 6th floor of the Library.

Upon motion duly made, seconded, and carried, the Finance Committee recommended that the Board of Directors approve the non-state budget changes.

*11. 2016-17 Proposed Budget- Auxiliary Enterprises

Administrative Overhead

Chief Financial Officer David Seward recommended a change in the calculation to 12% of total operating revenue to more accurately account for indirect costs. He noted that the change was cash neutral.

Salaries and Wages

Chief Financial Officer David Seward recommended a general salary increase of 2.5% for all non-represented staff positions effective July 1, 2016. He noted that the AFSCME unit employees had received a 2.5% GSI effective January 1, 2016. The non-represented staff consist of approximately 70 positions. The total cost of the GSI is \$260,000.

Mc Allister Tower:

Revenue

Chief Financial Officer David Seward requested a 5% increase for residential rents and 7% for the penthouse. The total projected revenue is \$4,608,303. A lengthy discussion ensued on the rental market for students in the Bay Area and the proposed joint student housing project with UCSF.

Parking Garage:

Revenue

Chief Financial Officer David Seward requested a 3% increase based upon current trends and a rate increase for monthly parkers of \$15, to \$275 per month.

Expenditures

Chief Financial Officer David Seward noted that the budget includes allocations for ongoing maintenance of equipment and systems. Also included in the budget are allocations of \$10,000 to repair stairwell treads and \$10,000 to power wash the garage.

Student Health Services:

Revenues

Chief Financial Officer David Seward reported a proposal of \$650 to fund the self-supporting Student Health Center. This equates to a \$17 increase per student.

Expenditures

Chief Financial Officer David Seward reported that the Health Center employees would be entitled to the 2.5% GSA. Contract employees would receive a 1% increase.

Business Center:

Revenues

Chief Financial Officer David Seward reported that the budget reflects a continued trend of decreased printing at the College

Expenditures

Chief Financial Officer David Seward reported that the 2016-2017 budget reflects a \$9,600 reduction in the base contract with UCSF.

Upon motion duly made, seconded, and carried, the Finance Committee recommended that the Board of Directors approve the 2016-2017 budgets for Auxiliary Enterprises, McAllister Tower, Parking Garage, Student Health Services and Business Center.

*12. Budget Pre-authorizations for 2016-2017

12.1 General Salary Increase for Non-represented Staff

Chief Financial Officer David Seward reiterated the request for a 2.5 % increase for all non-represented staff as a General Salary Increase.

12.2 Media Services – Classroom K Technology Upgrade

Chief Financial Officer David Seward requested approval of an allocation of \$75,000 to fund activities related to upgrades in Classroom K. The work would be completed over the summer. The plan is to use the upgrade of beta test technology deployment in the new building.

12.3 Long Range Campus Plan – Pulled for a future meeting.

Upon motion duly made, seconded, and carried, the Finance Committee recommended that the Board of Directors authorizes the expenditures activities prior to the Board's adoption of the 2016-17 budget

*13. Student Fees for 2016-2017: Parking Rates, Health Center and UCSHIP Fees and Freeze on General Enrollment and Other Mandatory Fees

Chief Financial Officer David Seward began his report by affirming that the College would not change most of the student fees, including the JD General Enrollment Fee of \$43,486 and the Nonresident tuition of \$6,000. He requested approval for minimal increase for the Student Health Center Fee, (2% for a total of \$650.) the UC SHIP premium (7% for a total of in annual premium of \$4,753.), and the Parking Garage Rate Schedule (\$260. To \$275 per month). He discussed the parking rate structure as distributed and noted that the rate structure provided discount parking for students.

A lengthy discussion ensued on student fees and how UC Hastings compares to other law schools, especially with reference to tuition discounting.

Upon motion duly made, seconded, and carried, the Finance Committee recommended that the Board of Directors affirm the existing JD General Enrollment Fee, Nonresident Tuition, MSL Tuition, LLM Tuition, LLM Tuition, and the Summer Legal Institute Fee. Be it further resolved that the Finance Committee recommend to the Board of Directors approval of increasing the Student Health Center Fee to \$650, the UC Ship Premium to \$4,753 and the Parking Rate Structure \$260 to \$275 as proposed.

*14. Long Range Campus Plan – Approval of Predevelopment Agreement with UCSF and Project Update

Chief Financial Officer David Seward presented a draft Predevelopment Agreement for the joint housing project between UC Hastings and UCSF. He explained that he was meeting with UCSF tomorrow to clarify terms. The agreement would provide the framework for cost sharing as the entities move forward with the development project. He passed out a report that UCSF presented to the UC Regents on capital projects. It was relayed to him that the Regents were complimentary about the project and the “out of the box” thinking. David Seward explained that the joint venture would require the formation of a joint powers corporation with the possibility of Bob Thompson, of Sheppard Mullin Thompson, representing UC Hastings. The costs for legal representation would be shared among the parties.

A lengthy discussion ensued on the details of representation. Chief Financial Officer David Seward announced that CEQA review will be presented to the Board at a special meeting on June 14.

Upon motion duly made, seconded, and carried, the Finance Committee recommended that the Board of Directors approve the Predevelopment Agreement between UC Hastings and UCSF for development of a Joint Student Housing Project at 198 McAllister and Rehabilitation and Seismic upgrading of 100 McAllister Street.

15. List of Checks over \$50,000

16. Adjournment

There being no further business to come before the Finance committee, the Meeting was adjourned at approximately 2:30 p.m.

Respectfully submitted,

Elise K. Traynum, Secretary

REPORT ITEM

1. **REPORT BY:** David Seward
2. **SUBJECT:** Year-End Investment Report – As of May 31, 2016
3. **REPORT:**

Attached is a performance summary of the investment pools managed by the Treasurer's Office of the University of California.

:

- The General Endowment Pool (GEP) experienced total returns of -2.17 percent as of May 31, 2016. Total returns of 7.41 percent and -0.67 percent were attained in fiscal year 2014-15 and 2013-14 respectively.
- The Short Term Investment Pool (STIP) experienced total returns of 1.14 percent as of May 31, 2016. Total returns of 1.41 percent and 1.61 percent were attained in fiscal year 2014-15 and 2013-13 respectively. STIP had a cash balance of \$5.2 million as of June 30, 2016; in the prior year, the balance was \$4.8 million.
- Total market value of the GEP-Operating Pool and GEP-Endowment decreased to \$68.6 million as of June 30, 2016 from \$72.4 million as of June 30, 2015, a reduction of \$3.8 million (-5.2%).

Attached is a summary of rates of Return – Unit Values issued by State Street Bank.

Chief Investment Officer of the Regents

RATES OF RETURN - Unit Value

Periods Ending May 31, 2016

GEP STIP UNIT VALUE RETURN SUMMARY REPORT



STATE STREET

	EMV	1 Month	3 Month	6 Month	FYTD	CYTD	1 Year	3 Year	5 Year	10 Year
TOTAL FUND										
GEP TOTAL - UNIT RETURN	9,137,672,706	1.27	5.42	-0.63	-2.17	0.40	-2.40	6.83	6.47	5.91
<i>GEP TOTAL PLAN POLICY BENCHMARK</i>		<i>0.56</i>	<i>6.67</i>	<i>1.19</i>	<i>-0.77</i>	<i>2.62</i>	<i>-1.53</i>	<i>5.62</i>	<i>5.04</i>	<i>5.47</i>
GEP Unit Rtn UC Foundations	9,137,672,706	1.27	5.42	-0.63	-2.17	0.40	-2.40	6.83	6.47	5.91
GEP TOTAL PLAN POLICY BENCHMARK		0.56	6.67	1.19	-0.77	2.62	-1.53	5.62	5.04	5.47
GEP TOTAL US PUBLIC EQUITIES	664,873,517	3.06	8.65	-2.90	-4.45	-1.06	-5.91	8.67	10.03	6.55
<i>U.S. EQUITY B-MARK R3000 TF</i>		<i>1.80</i>	<i>9.69</i>	<i>1.14</i>	<i>1.60</i>	<i>3.31</i>	<i>-0.09</i>	<i>10.49</i>	<i>11.07</i>	<i>7.26</i>
GEP TOTAL NON-US PUBLIC EQUITIES + EQ	1,167,949,870	1.08	7.28	-4.70	-11.27	-3.18	-13.85	-0.22	0.19	2.35
NON-US EQUITIES POLICY BENCHMARK		-1.69	9.10	-1.37	-8.85	0.52	-11.39	0.19	0.12	2.01
GEP DEVELOPED NON US PUBLIC EQUITY	605,499,293	2.43	5.40	-6.91	-10.45	-4.80	-13.18	1.02	1.51	2.25
<i>BLENDED EAFE TF + CANADA INDEX</i>		<i>-1.13</i>	<i>8.97</i>	<i>-1.88</i>	<i>-7.16</i>	<i>-0.08</i>	<i>-9.79</i>	<i>1.59</i>	<i>1.47</i>	<i>1.82</i>
GEP EMERGING MARKET EQUITY	562,450,577	-0.34	9.05	-0.38	-11.66	0.18	-14.02	-2.23	-2.22	3.98
EMERGING MARKETS EQUITY POLICY BENCHMARK		-3.73	9.60	0.04	-15.43	2.32	-17.63	-4.95	-4.83	3.11
GEP GLOBAL EQUITY	2,457,358,320	1.33	7.56	-5.85	-7.14	-4.90				
MSCI AC WORLD (NET)		0.13	9.13	0.01	-3.14	1.85				
GEP TOTAL FIXED INCOME W/ TIPS & DOLLAR	796,240,809	-0.07	2.40	2.70	2.26	3.77	1.02	2.05	3.86	5.66
GEP TOTAL CORE FIXED INCOME	272,071,198	0.08	0.46	1.29	2.32	1.70	1.29	2.32	3.25	4.70
<i>GEP FIXED INCOME POLICY BENCHMARK</i>		<i>0.03</i>	<i>1.33</i>	<i>3.12</i>	<i>4.13</i>	<i>3.45</i>	<i>2.99</i>	<i>2.91</i>	<i>3.33</i>	<i>4.97</i>
GEP HIGH YIELD	274,928,510	0.18	5.36	3.62	1.50	5.46	-0.03	3.59	6.07	
<i>BofAML HY Cash Pay (Daily)</i>		<i>0.66</i>	<i>9.25</i>	<i>5.29</i>	<i>0.62</i>	<i>8.04</i>	<i>-0.92</i>	<i>2.87</i>	<i>5.25</i>	

Chief Investment Officer of the Regents

RATES OF RETURN - Unit Value

Periods Ending May 31, 2016

GEP STIP UNIT VALUE RETURN SUMMARY REPORT



STATE STREET

	EMV	1 Month	3 Month	6 Month	FYTD	CYTD	1 Year	3 Year	5 Year	10 Year
GEP EMERGING MARKET DEBT	44,995,763	-0.64								
<i>FI TOTAL EMERGING MKTS BENCHMARK (DAILY)</i>		-0.18								
GEP TIPS	204,245,339	-0.54	1.41	2.99	2.18	3.72	1.35	0.42	2.48	4.86
<i>UCR BC US TIPS (DAILY)</i>		-0.71	1.43	3.25	2.23	4.08	1.23	0.38	2.38	4.56
GEP BLACKROCK UNCONSTRAINED	0									
Barclays Aggregate (Daily)		0.03								
GEP TOTAL PRIVATE EQUITY	1,060,321,292	3.06	9.43	10.39	13.89	9.34	22.84	23.82	18.07	12.28
<i>GEP PRIVATE EQUITY POLICY BENCHMARK</i>		3.06	9.43	10.39	13.89	9.34	22.84	23.82	18.07	12.28
GEP AR - DIV - UNIT RETURN	1,671,459,645	0.56	3.30	-2.10	-4.09	-0.62	-4.06	4.95	4.10	4.73
<i>WEIGHTED HFRX (PREV. 30-DAY TBILL+4.5%)</i>		0.96	5.41	-2.10	-5.09	0.05	-6.07	0.77	-0.54	3.20
GEP REAL ASSETS	183,123,212	0.58	-10.62	-10.49	-12.81	-9.02	-18.85	-2.41	-1.58	
<i>GEP REAL ASSETS LAGGED BENCHMARK</i>		0.58	-10.62	-10.49	-12.81	-9.02	-18.85	-2.41	-1.58	
GEP TOTAL REAL ESTATE	522,828,301	1.61	0.75	2.33	7.09	1.78	9.81	12.52	12.03	2.75
GEP PRIVATE REAL ESTATE	522,828,301	1.61	0.75	2.33	7.09	1.78	9.81	12.65	12.48	2.56
GEP LIQUIDITY	610,631,955	0.08	0.25	0.54	1.02	0.44	1.12	1.39	1.54	17.38
<i>UC US TWO YEAR TREASURY NOTE INCOME RETURN</i>		0.07	0.21	0.45	0.71	0.37	0.75	0.51	0.40	1.35
STIP										
STIP - UNIT RETURN	8,353,385,059	0.10	0.30	0.62	1.14	0.51	1.24	1.43	1.76	2.72
<i>STIP POLICY</i>		0.05	0.15	0.34	0.52	0.28	0.55	0.38	0.31	1.30

Chief Investment Officer of the Regents

RATES OF RETURN - Unit Value

Periods Ending May 31, 2016

GEP STIP UNIT VALUE RETURN SUMMARY REPORT



STATE STREET.

	EMV	1 Month	3 Month	6 Month	FYTD	CYTD	1 Year	3 Year	5 Year	10 Year
PLANNED GIVING										
PG FIXED INCOME POOL	30,165,281	0.02	1.89	3.37	4.30	3.65	3.08	3.19	4.15	5.60
<i>Barclays Aggregate Bond</i>		0.03	1.33	3.12	4.13	3.45	2.99	2.91	3.33	4.97
PG EAFE STATE ST INTL INDEX FUND	8,693,563	-1.03	9.19	-1.69	-7.12	0.07	-9.71	1.86	1.83	2.24
<i>BLENDED EAFE TF + CANADA INDEX</i>		-1.13	8.97	-1.88	-7.16	-0.08	-9.79	1.59	1.47	1.82
PG RUSSELL 3000 INDEX FUND	30,833,635	1.82	9.72	1.23	1.88	3.40	0.19	10.67	11.26	7.44
<i>U.S. EQUITY B-MARK R3000 TF</i>		1.80	9.69	1.14	1.60	3.31	-0.09	10.49	11.07	7.26

REPORT ITEM

1. **REPORT BY:** David Seward
2. **SUBJECT:** 2015-16 Preliminary Year-end State Budget Report
3. **REPORT:**

Attached is the preliminary year-end State budget report for 2015-16. Audited 2015-16 data will be presented in the college-wide *Financial Statements and Independent Auditors' Report* to be prepared by the College's auditors.

Revenues

- Unrealized Gain/Loss on Investments – In 2015-16 the State's share of the change in market value of UC-GEP investments are unrealized losses at (\$1,047,775); in 2014-15 unrealized gains of \$1,408,222 were posted.
- Overhead Allowances – An element of the deficit reduction plan implemented 2015-16, Auxiliary Enterprises contributed 12 percent of revenue or \$977,207 as overhead to the state, an increase of \$776,468 over 2014-15 actual and \$7,038 over 2015-16 budget. Indirect costs allowed on federal and private grants contributed \$67,857 to state funds.

Expenses

- Printing and Copier Service – Budgetary savings of \$140,000 from a total budget of \$400,000 in the External Relations (formerly Communications and Public Affairs) department are realized at year-end. The 2015-16 budget was augmented \$100,000 compared to 2014-15 actual \$298,866, allowing for new activities in addition to production of two issues of the Hastings magazine; 2015-16 actual expense at \$259,601 was \$39,265 less than 2014-15 (\$13,415 of that variance the result of expenditure instead categorized as advertising).
- Travel – Budgetary savings of \$241,000 or 32% are reported. Actual expenditures from default faculty professional development allocations in travel were realized in other reporting categories or remained unspent for a reported variance here of \$152,000. The balance remaining unspent includes \$43,000 from allocations to instructional programs (Moot Court, Graduate Division, CNDR), \$16,000 from student services, \$15,000 from academic support (Law Library, Academic Dean), and \$9,800 institutional support (e.g., Chancellor and Dean, General Counsel, Public Safety).
- Computer Software – Budgetary savings of \$208,000 result from a combination of reallocation to other reporting lines and unspent allocations. The budget included \$250,000 for the new Time Reporting System; \$45,000 was reallocated to Temporary

REVENUES	Budget 2015-16	Revised Budget 2015-16	Preliminary Year-end Actual 2015-16	Year-end Actual as a Percent of Revised Budget	Year-end Actual 2014-15
State Appropriations					
General Fund	10,644,000	10,644,000	10,644,000	100%	9,628,000
Lottery Fund	<u>170,000</u>	<u>125,000</u>	<u>140,243</u>	<u>112%</u>	<u>113,315</u>
Total	\$ 10,814,000	\$ 10,769,000	\$ 10,784,243	100%	\$ 9,741,315
Tuition and Related Fees					
Non-resident Tuition	582,000	691,000	681,999	99%	609,000
Registration Fee	38,050,250	38,308,714	38,246,959	100%	39,964,790
Veteran Fee Waivers	(632,804)	(707,776)	(751,344)	106%	(526,632)
LL.M. Tuition	1,211,250	1,053,137	1,059,558	101%	1,450,410
MSL Tuition	329,600	220,674	205,155	93%	325,145
Summer Legal Institute	469,200	419,771	612,221	146%	628,461
Other Student Fees	98,300	80,204	80,636	101%	100,110
Forfeited Deposits	-	-	-	=	<u>114,294</u>
Total	\$ 40,107,796	\$ 40,065,724	\$ 40,135,184	100%	\$ 42,665,578
Scholarly Publications					
Subscription Revenues	<u>85,200</u>	<u>85,200</u>	<u>98,481</u>	<u>116%</u>	<u>93,177</u>
Total	\$ 85,200	\$ 85,200	\$ 98,481	116%	\$ 93,177
Other Income					
Investment Income	287,000	187,000	217,920	117%	306,071
Realized Gain/Loss on Sale of Investments	-	-	18,812	--	-
Unrealized Gain/Loss on Investments	-	-	(1,047,775) *	--	1,408,222
Overhead Allowances	1,033,828	1,035,695	1,045,064 *	101%	283,972
Miscellaneous	<u>61,400</u>	<u>14,300</u>	<u>48,107</u>	<u>336%</u>	<u>23,474</u>
Total	\$ 1,382,228	\$ 1,236,995	\$ 282,128	23%	\$ 2,021,739
Transfer from Other Funds	\$ 313,285	\$ 365,788	\$ 365,781	100%	\$ 287,975
Prior Year Reserve/Beginning Fund Balance	<u>\$ 19,127,313</u>	<u>\$ 19,005,018</u>	<u>\$ 19,005,018</u>	<u>100%</u>	<u>\$ 17,806,328</u>
TOTAL REVENUES	<u>\$ 71,829,822</u>	<u>\$ 71,527,725</u>	<u>\$ 70,670,835</u>	99%	<u>\$ 72,616,112</u>

*See attached narrative

<i>EXPENDITURES</i>	Budget 2015-16	Revised Budget 2015-16	Preliminary Year-end Actual 2015-16	Year-end Actual as a Percent of Budget	Year-end Actual 2014-15
Salaries & Wages	24,627,986	24,068,189	23,856,158	99%	24,956,003
Student Wages-Reg. & Work-study	536,829	542,265	396,064	73%	438,902
Staff Benefits	8,045,196	7,880,495	7,933,528	101%	41,331,166
Consultants	448,319	510,998	564,254	110%	542,252
Temporary Help (Contracted)	234,600	384,402	330,865	86%	456,962
Employee Development & Testing	152,850	154,634	153,809	99%	107,183
Recruiting & Advertising	217,463	147,058	137,582	94%	162,749
Audit, Legal, and Case Costs	245,000	242,515	278,877	115%	229,529
Insurance	297,661	290,544	285,844	98%	270,244
Printing & Copier Service	948,342	918,354	773,866	* 84%	892,834
Supplies	273,280	277,914	290,527	105%	269,779
Travel	781,581	753,056	511,901	* 68%	616,893
Dues & Subscriptions	194,743	209,838	249,538	119%	162,166
Events & Entertainment	207,540	239,145	233,248	98%	212,915
Computer Software	615,301	833,324	625,182	* 75%	534,387
Data Processing	124,163	121,336	111,373	92%	104,842
Info Retrieval & Bibliography Svc.	156,800	168,800	170,425	101%	164,345
Books & Bindings	1,101,898	1,099,668	1,098,306	100%	1,134,585
Equipment Maintenance	124,499	99,249	85,117	86%	125,876
Building Maintenance	941,066	930,271	939,071	101%	879,095
Other Contract Services	636,273	604,454	465,375	* 77%	540,795
Utilities	927,103	938,086	915,523	98%	946,646
Telephone	24,298	37,997	66,504	175%	54,339
Mail	85,757	84,814	64,207	76%	66,296
Misc. (Including Bank Fees)	220,114	228,634	261,795	115%	368,056
Equipment & Improvements	423,148	126,359	121,500	96%	207,957
Space & Equipment Rental	617,993	620,056	589,892	95%	592,775
Financial Aid Grants	13,103,054	12,364,800	12,084,060	* 98%	10,674,695
Collection Costs	2,200	2,200	(49,300)	* -2241%	34,043
Transfer to Other Funds	33,000	33,000	34,045	103%	3,816
TOTAL EXPENDITURES	\$ 56,348,057	\$ 54,912,455	\$ 53,579,136	98%	\$ 87,082,125

*See attached narrative

Help (Contracted) and software payment of \$19,440 was made with the budget balance carried forward to fund expense that will be incurred in 2016-17. Actual expenditures for the College's expense management software, Concur, were \$26,000 more than budgeted. Offsetting this budget deficit in Fiscal Services was \$28,650 in Information Technology budget surplus. \$50,000 budgeted for a new Classroom attendance system was instead redirected to fund \$45,000 in consultant services to research and analyze a part-time JD program.

- Other Contract Services – From the revised budget, \$78,000 was reallocated to other categories of expenditure (\$50,000 to software and \$28,000 to equipment maintenance) and \$13,000 was carried over to 2016-17. The remaining budgetary savings accrue from several departments having actual expenditures less than projected amounts.
- Financial Aid Grants – Of the \$520,000 budget for the Loan Repayment Assistance Program (LRAP/PICAP) expenditures were \$246,514. Here is a summary of items in this category:

Program	Revised Budget	Actual Expenditure	Budget Balance
JD Grants	11,411,970	11,409,516	2,454
JD Merit Awards	40,000	40,000	-
JD International Internships	36,000	31,200	4,800
LLM Grants	344,500	344,500	-
MSL Grants	12,330	12,330	-
LRAP/PICAP	520,000	246,514	273,486
Total	\$ 12,364,800	\$ 12,084,060	\$ 280,740

- Collection Costs – The budget of \$2,200 for loan collection costs was exceeded by \$2,222 with actual expense at \$4,422. Changes to allowances for doubtful accounts, non-cash accounting entries that are not budgeted, were posted; \$7,465 increase in the allowance for tuition and fees and (\$61,187) decrease for outstanding loans.

ACTION ITEM

1. **REPORT BY:** David Seward
2. **SUBJECT:** 2016-17 State Budget
3. **RECOMMENDATION:**

That the Finance Committee recommend that the Board of Directors approves the attached state budget for 2016-17.

4. BACKGROUND:

Fiscal detail on major elements of both the revenue and expenditure budgets for 2016-17 is detailed below.

Revenues

- State Appropriations, General Fund – The state’s General Fund support for 2016-17 at \$11,659,000 is increasing \$1,015,000 or 10% over 2015-16. An additional \$2,000,000 General Fund has been appropriated for deferred maintenance and is detailed separately below.
- Tuition and Related Fees – The budget reflects no increase in per student tuition and fees and is based on the following enrollment assumptions, changed from December 2015 revised five-year planning model as noted. The initial plan for continuing students assumed a higher level of attrition (based on 2014-15) than the current 2016-17 budget plan using actual enrollments as of early August 2016. The first year target class was initially 300 to maintain metrics but is budgeted at 340 by end of year per current admitted student projections.

	2015-16 Midyear Revised Budget	2016-17 Initial Planning Assumptions	2016-17 Beginning Budget	2016-17 Budget - FTE Change
JD Students				
First Year	289.5	300.0	340.0	40.0
Second Year (including Transfers)	294.0	262.0	285.0	23.0
Third Year	297.5	279.0	290.0	11.0
Visiting	-	1.0	-	(1.0)
Total JD	881.0	842.0	915.0	73.0
Non-JD Students				
LLM, net exchange	22.2	28.5	25.5	(3.0)
MSL	5.4	8.0	2.8	(5.2)
Total Non-JD	27.6	36.5	28.3	(8.2)
TOTAL	908.6	878.5	943.3	64.8

- Non-resident Tuition – The budget assumes eleven percent of JD students or 100 FTE are non-residents paying \$6,000 tuition. In 2015-16 non-resident tuition was paid by 113.7 FTE or 13% of JD students.
- Veteran and Other Fee Waivers – The 2016-17 budget estimates 17 FTE students are veterans eligible for waiver of the \$43,486 enrollment fee for \$739,262 in foregone fee revenues. An additional amount of \$24,000 waived for the Summer Legal Institute and \$52,000 for SOAS exchange students is budgeted 2016-17. In 2015-16 there were 16 veteran fee waivers for total \$695,776, \$3,600 waived during the summer, and \$51,968 for SOAS exchange students.
- HPL Revenue Share – A new online Masters in Health Policy and Law (HPL) degree program is offered beginning 2016-17. Per the MOU between Hastings, UCSF and Berkeley Resource Center for Online Education (BRCOE) the pre-determined share of top-line revenue is 13% for Hastings, 37% for UCSF and 50% for BRCOE. 2016-17 enrollment is projected at 35 FTE paying \$41,200 for gross revenues of \$1,442,000 and Hastings’ share is \$187,460. After incremental costs net revenues of \$96,000 are projected.
- Unrealized Gain/Loss on Investments – This category accounts for the change in the market value of the state fund’s share the UC General Endowment Pool (GEP) and is not a budgeted item as there is no basis for a projection. In 2015-16 unrealized losses of (\$1,407,775) were recognized; in 2014-15 unrealized gains were \$1,408,222.
- Overhead Allowances – An element of the deficit reduction plan implemented 2015-16, Auxiliary Enterprises have been budgeted to contribute 12 percent of revenue or \$1,003,397 as overhead to the state, an increase of \$26,190 over 2015-16. Indirect costs allowed on federal and private grants are budgeted to contribute \$158,058 to state funds.
- Transfer from Other Funds – The 2016-17 budget reallocates \$139,350 from state plant fund reserves for special one-time expenditures:
 - \$55,000 for cyclical update of Admissions Viewbook and webpage.
 - \$35,000 for greening and sustainability consultant services, a component of the Long Range Campus Plan.
 - \$32,350 for building maintenance items including elevator maintenance evaluation, development of a project plan to improve exterior lighting on Golden Gate Avenue, and repair/refinish of the 200 McAllister wooden staircase (last addressed summer 2007).
 - \$17,000 to refresh audio-visual systems in nine seminar rooms.

Expenses

- Salaries and Wages – The 2016-17 budget includes funding for employee compensation adjustments for represented employees per collective bargaining agreements and non-represented staff per Board of Directors authority granted June 2016. The 2016-17 budget reflects:
 1. An adjusted faculty salary budget of \$11,941,247 that accounts for savings from 2015-16 retirements and provides for the following changes in 2016-17:
 - a) Two new professors: 1.0 FTE tenure-track Associate Professor of Law Manoj Viswanathan and 1.0 FTE long-term contract Professor Brittany Glidden.

- b) Associate Dean for Library and Technology Camilla Tubbs, a long-term contract faculty appointment.
 - c) An allocation of \$692,993 for adjunct and Sullivan Professor wages.
 - d) A provisional allocation of \$400,000 representing that amount of the base budget not yet assigned to specific faculty appointments and available to fund faculty changes through June 2017.
 - e) Tenure and step-increases for seven professors effective July 2016.
 - f) Conversion of management positions and classification of incumbent employees to fund:
 - i. 1.0 FTE Visiting Assistant Professor supporting the Innovation Institute.
 - ii. 1.0 FTE Lecturer supporting the Center for State and Local Government Law.
 - g) Temporary shift from faculty salaries to staff salaries for Acting Chancellor and Dean and Acting Academic Dean along with a six-month augmentation of regular faculty salaries for previous incumbent.
 - h) One-time reimbursement from the Department of Justice for Professor Chimene Keitner's service, partially offsetting her annual salary.
 - i) Redirection of \$30,000 to the Career Office for the Bay Area Incubator Program, funding participation by three students.
 - j) Redirection of \$47,500 to support new programs proposed by the Associate Dean for Academic and Professional Success.
 - k) Redirection of \$65,000 to fund experiential learning externships through the UCDC Program.
2. Staffing changes, in addition to the 2.0 FTE conversion to faculty salaries, include:
- a) Consolidation of the Chief Information Officer (1.0 FTE staff) and Law Library Director (1.0 FTE faculty) into one Associate Dean for Library and Technology (1.0 FTE faculty) resulting in elimination of 1.0 FTE.
 - b) A new 1.0 FTE Associate Director for Employer Relations, converting a part-time temporary position and incumbent employee to full-time career-status.
 - c) An increase of .33 FTE to the existing part-time Media Services Technician Assistant by decreasing summer furlough and increasing academic year hours from .5 to .8 FTE.
 - d) A shift of .7 FTE from nonstate funding sources to state funds for Fiscal Services staff, recognizing increased indirect costs allocated to auxiliary enterprises and other workload shifts.
3. Compensation adjustments:
- a. Full-year funding of 2015-16 salary adjustments, the 2.5% General Salary Adjustment issued to AFSCME and AFT-Librarians represented staff effective January 2016.
 - b. General Salary Adjustment of 2.5% effective January 2017 per collective bargaining agreements with AFSCME and AFT-Librarians unions.

- c. General Salary Adjustments of 2.5% effective July 1, 2016, for non-represented career-status staff as approved at the June 2016 Board of Directors meeting.
 - d. Full-year funding for staff positions vacant on July 1, 2016, excluding those subject to the hiring freeze.
 - e. A funding pool for reclassification and market adjustments for staff positions at \$55,970 (combined with benefit allocation equals a \$75,000 total pool).
4. Salary savings of (\$281,000) including vacant staff positions subject to the hiring freeze (\$377,000 inclusive of benefits).
- Staff Benefits – An allocation rate of 34% has been budgeted in 2016-17 equal to the effective rate in 2015-16. Premium cost changes to health and welfare plans managed by UC will be effective January 1, 2017. No increases in UC Retirement Plan employer contribution rates are projected.
 - Travel – Included here are allocations of \$3,500 to professors for research and professional development from which other categories of expenditure are allowed; the 2016-17 budget represents an increase of \$171,000 from 2015-16 faculty expense in this category. Other budgets increasing over prior year actual expenditures include: Moot Court competition travel \$22,000; academic research \$15,500; and accreditation support including the WASC site team visit \$13,000.
 - Computer Software – 2016-17 expenses are projected to increase \$180,000 over 2015-16. This is primarily the result of implementing a new time reporting system (TRS) at \$175,417. Using the same web-based system as UC Irvine, TRS will allow non-exempt employees to report their hours worked and supervisors to approve online, maintain leave accrual balances and calculate overtime hours worked. A related change is non-exempt staff moving to a bi-weekly pay cycle instead of monthly. These new processes will be phased in beginning January 2017.
 - Other Contract Services – In the event UC Hastings elects to substantially upgrade its security function by contracting with UCSF, \$246,000 is budgeted to cover the projected incremental direct cost; the status-quo UC Hastings security budget is distributed throughout other report categories and the 10-month cost differential is allocated here. Another significant increase in this category results from Information Technology moving the Ellucian administrative software application and data offsite to a hosted cloud service at \$152,050; this addresses system security, disaster recovery planning, and enhances system support. The Information Technology budget includes an additional increase of \$47,000 for other initiatives funded by redirecting of base budget. A one-time allocation of \$10,000 has been budgeted to repair and refinish the wooden staircase in Kane Hall.
 - Financial Aid Grants – The financial aid budget for 2016-17 state accounts totals \$16,064,840 which is an increase of \$3,980,780 over 2015-16 and \$5,390,145 over 2014-15 actual expenditures. Allocations include:
 - 1) \$15,091,578 grant budget for JD students, an amount sufficient to fund the Student Aid Strategies for the Class of 2019 approved by the Board December 2015. The approved strategy was intended to result in metrics for the incoming class of LSAT 160 and GPA 3.55 with class size of 300 and grant budget of \$6,646,200 for average award of \$23,320, a 54% discount rate. The grant budget

was increased to \$6,796,448 assuming a class size of 340 and average award of \$19,850, a 46% discount rate. This increased allocation will require continuation funding for two additional years.

- 2) \$520,000 for the Loan Repayment Assistance Program (LRAP), continuing the 2015-16 base allocation.
 - 3) \$416,262 grant budget for LL.M.-International students, tuition discounts for 25.5 FTE students in addition to the exchange agreements for five FTE students included in net fee revenues.
 - 4) \$6,000 grant funding for Master of Studies in Law (MSL) students, tuition discounts budgeted for 2.75 FTE students.
 - 5) \$31,000 for International Summer Internships, awards to rising 1L and 2L students to help defray travel and living expenses while working on international issues in an unpaid position.
- Transfer to Other Funds – A two-year project to update the College’s website is budgeted in a separate account, to be funded in 2016-17 by transfer from state operations at \$376,386.

Summary

2016-17 Operations Budget

Based on the projected revenues identified and assuming the approval of all proposed expenditures, an ending operating reserve with market valuation as of 6/30/17 is projected at \$15.5 million. The prior year reserve is preliminary.

Operating Revenues	\$55,072,118
Operating Expenses, without Financial Aid	(44,886,033)
Student Financial Aid	<u>(16,064,840)</u>
Net Operations	(5,878,755)
Prior Year Reserve	<u>17,091,699</u>
Projected Ending Reserve	<u>\$11,212,944</u>

DEFERRED MAINTENANCE

Included in the State Budget Act of 2016 Section 6.10 is a separate one-time \$2,000,000 General Fund allocation to Hastings to address deferred maintenance items. Funding is available for expenditure over two years and planned projects are:

200 McAllister Street – Kane Hall

- \$1,000,000 roof rehab/repairs
- \$450,000 electrical infrastructure, replace emergency generator
- \$250,000 façade access, window washing anchorage system
- \$130,000- HVAC rehab/repairs
- \$57,000 water conservation and fixture improvements

- \$42,000 water proofing

198 McAllister Street – Snodgrass Hall

- \$35,000 HVAC rehab/repairs
- \$23,000 roof rehab/repairs
- \$13,000 building infrastructure rehab/repairs, sump pump

PLANT FUND RESERVE

The Plant Fund Reserve is budgeted to end 2015-16 with a net asset balance of \$7,732,658. In 2016-17 investment income is budgeted to add \$750,000. Funding of the Long Range Campus Plan 2016-17 budget reported to the Board in June 2016 includes planned expenditure of \$242,000 from plant fund reserves. Additional uses totaling \$104,350 are budgeted. After the items below an ending state Plant Fund Reserve of \$7,426,308 is projected (market valuation at 6/30/16).

Long Range Campus Plan: 200 McAllister Street – Kane Hall

New allocations for capital project funding:

- \$62,000 for façade access and reroofing design consultant
- \$105,000 for programming and roof master plan
- \$75,000 for project management

One-time Special Funding Requests – State Operations

- \$55,000 for cyclical upgrade of the Admission Viewbook and website
- \$17,000 to upgrade and refresh audio-visual technology in nine lecture rooms
- \$12,350 for an evaluation of all campus elevator maintenance status and development of bid specifications
- \$10,000 to repair and refinish the wooden staircase in Kane Hall, last addressed summer 2007
- \$10,000 to investigate current lighting along Golden Gate Avenue and develop a budget for installation of proposed new fixtures, improving and enhancing pedestrian safety

5. PROPOSED RESOLUTION:

Resolved that the Finance Committee recommend that the Board of Directors approves the proposed state budget for 2016-17.

REVENUES	Proposed Budget 2016-17	Change from 2015-16 (Prelim) to 2016-17 Budget	Preliminary Year-end Actual 2015-16	Year-end Actual 2014-15
State Appropriations				
General Fund	11,659,000 *	10%	10,644,000	9,628,000
Lottery Fund	<u>125,000</u>	-11%	<u>140,243</u>	<u>113,315</u>
Total	\$ 11,784,000	9%	\$ 10,784,243	\$ 9,741,315
Tuition and Related Fees				
Non-resident Tuition	600,000 *	-12%	681,999	609,000
Registration Fee	39,789,690 *	4%	38,246,959	39,964,790
Veteran and Other Fee Waivers	(815,262) *	9%	(751,344)	(526,632)
LL.M. Tuition	1,211,250 *	14%	1,059,558	1,450,410
MSL Tuition	113,300 *	-45%	205,155	325,145
HPL Revenue Share	187,460 *	--	-	-
Summer Legal Institute	535,650	-13%	612,221	628,461
Other Student Fees	78,900	-2%	80,636	100,110
Forfeited Deposits	-	--	-	<u>114,294</u>
Total	\$ 41,700,988	4%	\$ 40,135,184	\$ 42,665,578
Scholarly Publications				
Subscription Revenues	<u>33,500</u>	-66%	<u>98,481</u>	<u>93,177</u>
Total	\$ 33,500	-66%	\$ 98,481	\$ 93,177
Other Income				
Investment Income	200,000	-8%	217,920	306,071
Realized Gain/Loss on Sale of Investments	-	-100%	18,812	-
Unrealized Gain/Loss on Investments	- *	-100%	(1,047,775)	1,408,222
Overhead Allowances	1,161,455 *	11%	1,045,064	283,972
Miscellaneous	<u>52,825</u>	<u>10%</u>	<u>48,107</u>	<u>23,474</u>
Total	\$ 1,414,280	401%	\$ 282,128	\$ 2,021,739
Transfer from Other Funds	\$ 139,350 *	-62%	\$ 365,781	\$ 287,975
Prior Year Reserve/Beginning Fund Balance	<u>\$ 17,091,699</u>	-10%	<u>\$ 19,005,018</u>	<u>\$ 17,806,328</u>
TOTAL REVENUES & RESERVES	\$ 72,163,817	2%	\$ 70,670,835	\$ 72,616,112

*See attached narrative.

<i>EXPENDITURES</i>	Proposed Budget 2016-17	Change from 2015-16 (Prelim) to 2016-17 Budget	Preliminary Year-end Actual 2015-16	Year-end Actual 2014-15
Salaries & Wages	25,199,504 *	6%	23,856,158	24,956,003
Student Wages-Regular & Work-study	531,152	34%	396,064	438,902
Staff Benefits	8,449,421 *	7%	7,933,528	41,331,166
Consultants	628,550	11%	564,254	542,252
Temporary Help (Contracted)	143,060	-57%	330,865	456,962
Employee Development & Testing	157,927	3%	153,809	107,183
Recruiting & Advertising	135,600	-1%	137,582	162,749
Audit, Legal, and Case Costs	258,515	-7%	278,877	229,529
Insurance	281,809	-1%	285,844	270,244
Printing & Copier Service	871,838	13%	773,866	892,834
Supplies	290,524	0%	290,527	269,779
Travel	776,525 *	52%	511,901	616,893
Dues & Subscriptions	229,524	-8%	249,538	162,166
Events & Entertainment	289,977	24%	233,248	212,915
Computer Software	805,042 *	29%	625,182	534,387
Data Processing	172,730	55%	111,373	104,842
Info Retrieval & Bibliography Services	181,100	6%	170,425	164,345
Books & Bindings	1,078,709	-2%	1,098,306	1,134,585
Equipment Maintenance	103,289	21%	85,117	125,876
Building Maintenance	947,805	1%	939,071	879,095
Other Contract Services	945,926 *	103%	465,375	540,795
Utilities	916,883	0%	915,523	946,646
Telephone	44,180	-34%	66,504	54,339
Mail	63,627	-1%	64,207	66,296
Misc. (Including Bank Fees)	246,489	-6%	261,795	368,056
Equipment & Improvements	146,068	20%	121,500	207,957
Space & Equipment Rental	608,873	3%	589,892	592,775
Financial Aid Grants	16,064,840 *	33%	12,084,060	10,674,695
Collection Costs	5,000	-110%	(49,300)	34,043
Transfer to Other Funds	376,386 *	<u>1006%</u>	34,045	3,816
<i>TOTAL EXPENDITURES</i>	\$ 60,950,873	14%	\$ 53,579,136	\$ 87,082,125

*See attached narrative.

REPORT ITEM

- 1. REPORT BY:** David Seward
- 2. SUBJECT:** Core Operations – State Budget Planning for 2017-18
- 3. REPORT**

On an annual basis, the College submits its spending and revenue plan to the State of California's Department of Finance along with any requests for additional funding through its Budget Change Proposal process for both its operating (i.e., Support) and infrastructure (i.e., Capital Outlay) needs.

The following factors and considerations require discussion to help staff prepare a budget submittal reflective of the policy directives of the Board of Directors.

- The Governor's Multi-Year Funding Plan and Student Fees

A continuation of the Governor's funding plan is anticipated. The plan calls for increases applied to total Core Funding (student fees and General Fund support) of 2% annually. The Governor's plan assumes tuition charges for resident students remain flat. The upcoming year will be the sixth consecutive year of a flat General Enrollment Fee.

- Enrollment Management, Financial Aid & Tuition Discounting

The budget submittal, with a preliminary initial version forwarded to the Department of Finance in October and finalized in December 2016, will necessitate the formulation of enrollment as well as financial aid and tuition discounting planning assumptions. While placeholders can be factored into the initial submittal, final plans will need to be formulated by December 2016 to serve as the basis for review and analysis by the Department of Finance and the Legislature.

- Summer Public Interest Fellowships

President Janet Napolitano in April 2016 announced a system-wide fellowship program to support UC law students and graduates committed to practicing law in service to the public with a \$4.5 million annual allocation divided between UC Berkeley, UC Davis, UCLA and UC Irvine. UC Hastings is not eligible for these funds but has allocated an additional \$80,000 to supplement existing public interest summer loan and grant programs. Private fundraising, increased internal allocations and the submittal of a Budget Change Proposal are options to maintain competitiveness in this area and to support summer positions more accessible for students who want to pursue public service.

legal careers. The student Hastings Advocacy Committee's direct ask of the Legislature the past few years has been funding of \$250,000 for public interest grant support.

- Employee Compensation & Collective Bargaining

Collective bargaining agreements with staff represented by AFSCME and AFT are set to expire on December 31, 2016; the last wage increase under the current agreement is 2.5% in January 2017. Contract expiration for AFSCME employees coincides with that contracts between AFSCME and UC system-wide. Non-represented employees were afforded a 2.5% "catch up" general salary increase in July 2016 as AFSCME and AFT were issued pay increases of 2.5% in January 2016 that non-represented employees did not receive. Base faculty pay scales lag behind those of the University of California by at least 3% with the last General Salary Adjustment was 1.5% in July 2015; Merit Salary Adjustments, including those resulting in tenure, have continued.

- Business System, Facility Improvement and Deferred Maintenance Projects

Funding sources for the new payroll system, UC Path, and other business system and institutional support projects (e.g., web redesign, etc.) will need to be identified. Hastings-funded capital and tenant improvements for state supported facilities (i.e., 333 Golden Gate, Kane Hall and Snodgrass Hall) will be a draw on reserves. Deferred maintenance needs should be substantially addressed by the \$2 million appropriation from the State of California in the 2016-17 budget.

- Capital Outlay & Five Year Infrastructure Plan

The College is required to submit on an annual basis an update of its Five-Year Infrastructure Plan which is the first step in the State's capital outlay process. The due date for this document at the Department of Finance is October 2016. A draft will be presented to the Board of Directors at its September 2016 meeting.

At its September meeting, the disposition of the 50 Hyde Street Annex will need to be formally determined by the Board of Directors. The EIR certified by the Board of Directors contemplated two options for the site: Renovation to preserve the building's existing functionality or its demolition to allow for the site's inclusion in the joint student housing venture with UCSF. Below are the project descriptions:

- Variant A - Redevelopment of the 198 McAllister Street site with campus housing, and *modernization* (emphasis added) of the adjoining 50 Hyde Street structure. Upon completion of the new academic building at 333 Golden Gate Avenue, the 198 McAllister Street building would be demolished to allow for construction of an approximately 13-story, 140-foot-tall 227,000-gsf campus housing building. The building would provide approximately 400 to 600 housing units, as well as approximately 15,000 sf of ground floor College-serving academic and instructional uses, and/or revenue-generating third-party retail uses.

- Variant B - Redevelopment of the 198 McAllister Street *and* 50 Hyde Street sites with campus housing, including academic functionality of the lower levels. Under this variant, both the 198 McAllister and 50 Hyde Street buildings would be *demolished* (emphasis added) upon completion of the new academic building at h333 Golden Gate Avenue and would allow for the extension of the proposed approximately 13-story, 140-foot-tall structure at 198 McAllister Street to encompass site of 50 Hyde Street as well. Development would result in an approximately 329,000-gsf campus housing building, providing between 525–770 units. Approximately 61,000 sf would be dedicated to academic, administrative, assembly, faculty, and multipurpose/support space on the ground and second floors to replace the existing 50 Hyde Street facilities.

Budget planning for the upcoming fiscal year needs to take into consideration these factors so as to make the budget process a strategic tool to move forward the College's agenda.

REPORT ITEM

1. **REPORT BY:** David Seward
2. **SUBJECT:** 2015-16 Preliminary Year-end Nonstate Budget Report
3. **REPORT:**

Attached is the year-end non-state budget report for 2015-16. Expenditure data represents preliminary figures; audited 2015-16 data will be presented in the *Financial Statements and Independent Auditors' Report* to be prepared by the College's auditors.

This report is divided into the following categories of non-state funds:

- Restricted Funds
- Unrestricted Funds

RESTRICTED FUNDS

This report includes all non-state current-use funds having restrictions imposed upon them from external sources, such as donors or granting agencies. Major budget variances are outlined below.

Revenues

- Grants and Contracts – The beginning budget reflected expectations of new grant and contract revenues to be received in the 2015-16 fiscal year. Included in the preliminary year-end actual are revenues received in 2014-15 but deferred to support expenditure in 2015-16 at \$548,209. The 2015-16 federal college work-study program grant was \$29,183 more than budgeted.

Expenses

- Scholarships and Fellowships – The 2015-16 budget was \$2 million and actual awards to students totaled \$1.5 million. The unexpended amounts have been rolled forward and re-budgeted for expenditure in 2016-17 and include the O'Neill, General Scholarship, Anonymous, Innovation Law Clinic, Olivier, Abascal and Towne Scholarship funds. The Tony Patino Memorial Fellowship Trust pass-through awards were budgeted at \$90,000 but awarded at \$75,000. Not budgeted but funded through the Hastings Public Interest Law Foundation student organization were \$43,000 in public interest fellowship grants.

HASTINGS COLLEGE OF THE LAW
Non-State Budget, Restricted Funds -- 2015-16

	Budget 2015-16	Preliminary Year-end Actual 2015-16	Preliminary Year-end Actual as a Percent of Budget	Year-end Actual 2014-15
REVENUES				
Grants and Contracts	\$ 1,275,886	\$ 1,859,622 *	146%	\$ 1,277,935
Other Income	1,912	254,077	13289%	62,532
TOTAL OPERATING REVENUES	\$ 1,277,798	\$ 2,113,699	165%	\$ 1,340,467
EXPENSES				
Instruction and Research				
Salaries and Benefits	2,023,596	1,907,555	94%	1,602,905
Program Support	629,768	544,164	86%	565,036
Public and Professional Services				
Salaries and Benefits	164,933	177,256	107%	173,109
Program Support	41,812	30,080	72%	67,694
Academic Support				
Salaries and Benefits	-	-	--	-
Program Support	-	-	--	-
Student Services				
Salaries and Benefits	7,520	94	1%	-
Program Support	69,375	6,385	9%	5,605
Institutional and Building Support				
Salaries and Benefits	4,048	-	0%	37,671
Program Support	29,673	6,994	24%	9,073
Financial Aid				
Salaries and Benefits	97,446	97,851	100%	97,446
Program Support	34,326	4,312	13%	32,781
Administrative Overhead	142,446	167,224	117%	106,068
Scholarships and Fellowships	2,042,239	1,485,793 *	73%	1,308,989
Student Organizations	-	126,450	--	166,918
TOTAL OPERATINGEXPENSES	\$ 5,287,182	\$ 4,554,158	86%	\$ 4,173,294
NET OPERATIONS	\$ (4,009,384)	\$ (2,440,459)	61%	\$ (2,832,827)
NONOPERATING REVENUES (EXPENSES)				
Donations	\$ 554,452	\$ 1,836,723 *	331%	\$ 1,782,710
Investment Income	13,000	8,503	65%	12,605
Endowment Payout	920,871	1,004,888	109%	911,383
Realized Gain/Loss on Sale of Investments	-	418	--	(137)
Unrealized Gain/Loss on Investments	-	(32,668)	--	43,986
Net Transfers to/from Other Funds	(174,776)	36,190	-21%	1,964,761
TOTAL NONOPERATING REVENUES (EXPENSES)	\$ 1,313,547	\$ 2,854,054	217%	\$ 4,715,309
TOTAL CHANGE IN NET ASSETS	\$ (2,695,837)	\$ 413,595	-15%	\$ 1,882,481

*See attached narrative.

HASTINGS COLLEGE OF THE LAW
Non-State Budget, Unrestricted Funds -- 2015-16

	Beginning Budget 2015-16	Revised Budget 2015-16	Preliminary Year-end Actual 2015-16	Preliminary Year-end Actual as a Percent of Revised Budget	Year-end Actual 2014-15
REVENUES					
Dues/Memberships	\$ 180,000	\$ 180,000	\$ 265,975 *	148%	\$ 197,500
Fees	211,440	211,440	233,821	111%	432,283
Other Income	355,425	355,425	372,541	105%	294,801
Overhead Allowances	152,000	152,000	170,492	112%	112,920
TOTAL OPERATING REVENUES	\$ 898,865	\$ 898,865	\$ 1,042,830	116%	\$ 1,037,503
EXPENSES					
Instruction and Research					
Salaries and Benefits	384,947	384,947	323,139	84%	219,091
Program Support	291,606	291,606	356,986	122%	305,592
Public and Professional Services					
Salaries and Benefits	2,000	2,000	-	0%	-
Program Support	46,196	46,196	20,836	45%	8,299
Academic Support					
Salaries and Benefits	11,500	11,500	1,700	15%	10,000
Program Support	69,200	69,200	54,389	79%	88,932
Student Services					
Salaries and Benefits	-	-	-	--	64,659
Program Support	185,567	185,567	121,461	65%	166,680
Institutional and Building Support					
Salaries and Benefits	872,070	893,834	809,443	91%	759,606
Program Support	1,506,446	1,859,682	1,819,267	98%	1,010,654
Financial Aid					
Scholarships and Fellowships	39,222	119,222	109,257	92%	55,176
Program Support	3,687	3,687	4,105	111%	3,687
TOTAL OPERATING EXPENSES	\$ 3,412,441	\$ 3,867,441	\$ 3,620,583	94%	\$ 2,692,376
NET OPERATIONS	\$ (2,513,576)	\$ (2,968,576)	\$ (2,577,753)	87%	\$ (1,654,873)
NONOPERATING REVENUES (EXPENSES)					
UCH Foundation Grants and Other Gifts/Grants	925,064	925,064	969,680 *	105%	1,147,627
Investment Income	68,239	68,239	60,222	88%	86,057
Endowment Payout	217,695	217,695	241,801	111%	217,694
Endowment Management Fee	80,098	80,098	88,906	111%	80,098
Realized Gain/Loss on Sale of Investments	-	-	5,481	--	-
Unrealized Gain/Loss on Investments	-	-	(299,964)	--	414,263
Net Transfers to/from Other Funds	194,524	194,524	206,979	106%	(34,232)
TOTAL NONOPERATING REVENUES (EXPENSES)	\$ 1,485,620	\$ 1,485,620	\$ 1,273,106	86%	\$ 1,911,506
TOTAL CHANGE IN NET ASSETS	\$ (1,027,956)	\$ (1,482,956)	\$ (1,304,647)	88%	\$ 256,633

*See attached narrative.

Nonoperating Revenues/(Expenses)

- Donations – The 2015-16 budget for donations reflected gifts from recurring or known sources. Significant gifts received support these funds (amounts list here are before deduction of 5% gift processing fee):
 - \$303,661 General Scholarship
 - \$250,000 Kenneth E. Olivier '77 Scholarship
 - \$193,300 Center for Gender and Refugee Studies (\$103K more than budgeted)
 - \$106,908 Joseph Grodin Tribute Fund
 - \$64,641 to various student organizations

UNRESTRICTED FUNDS

This report includes all non-state current-use funds that do not have restrictions imposed upon them from external sources. These funds include gifts given without restriction such as the UC Hastings Foundation support in the form of block grants for support of Institutional Advancement and Alumni Office functions. In addition, funds generated that support the budget of individual programs such as the On-Campus Interview Program, research centers, and conferences are also recorded here. Miscellaneous revenue sources such as student application fees, classroom rental and vending machine commissions fund programs that may not have income of their own such as academic conferences, student and college-wide events, and administrative support funds. Designated Funds, those funds restricted as to use by the Board of Directors (e.g., Digardi Professorship, Hastings Chair, PICAP) are also categorized as unrestricted current-use funds because it is within the Board's power to remove such restrictions.

Revenues

- Dues/Memberships – The Center for WorkLife Law membership program providing training, resources and tools to help law firms and corporations better support, retain and advance women was projected to receive \$180,000 but actual revenues were \$265,975.

Nonoperating Revenues / (Expenses)

- UCH Foundation Grants and Other Gifts/Grants – The block grant from the UC Hastings Foundation was budgeted at \$887,000 but unrestricted contributions fell short and the actual grant funded was \$756,000. Not budgeted but received were gifts totaling \$95,167 supporting various programs including the Justice Marvin Baxter fund (\$51,164) and the Ambassador J. Christopher Stevens '89 Symposium (\$28,935). Gift processing fees are included net \$99,000.
- Unrealized Gain/Loss on Investments – In 2015-16 the nonstate unrestricted fund's share of the change in market value of UC-GEP investments are unrealized losses of \$299,964; in 2014-15 unrealized gains of \$414,263 were posted.

ACTION ITEM

1. **REPORT BY:** David Seward
2. **SUBJECT:** 2016-17 Non-State Budget
3. **RECOMMENDATION:**

That the Finance Committee recommend that the Board of Directors approve the attached non-state budget for 2016-17.

4. **BACKGROUND**

This report is divided into the following categories of non-state funds:

- Restricted Funds
- Unrestricted Funds

RESTRICTED FUNDS

This report includes all non-state funds having restrictions imposed upon them from external sources, such as donors or granting agencies.

Overall

On an overall basis, the net effect of planned activity is a \$1,974,789 reduction in restricted fund net assets, a function of expending grant/gift funds received in the prior year or approved spending plans that use accumulated current-use fund balances.

Expenses

- Instruction and Research, Program Support – The increase in 2016-17 program support expense compared to prior years is \$577,000 and primarily funded by grants and gifts. Included in 2016-17 and contributing to the increase is \$311,000 in NSF grant supported expenditures; \$131,000 for WorkLife Law’s Hourly Worker’s Project; \$37,000 from the Joseph Grodin Tribute fund for technology expansion of clinics; and \$32,000 for UCSF/Hastings Consortium support.
- Financial Aid, Scholarships and Fellowships – The increase in scholarship expense budgeted at \$2.3 million compared to 2015-16 awards totaling \$1.5 million is \$810,000. However, the budgetary increase from the 2015-16 allocation of \$2 million is \$295,000. Planned expenditures in 2016-17 include new retention scholarships and the increase over 2015-16 actual awards is attributed to: \$120,000 for the second year of James Sarsfield O’Neill Scholarship awards (reclassified from student loan funds

HASTINGS COLLEGE OF THE LAW
Non-State Budget, Restricted Funds
2016-17 Proposed Budget

	Proposed Budget 2016-17	Preliminary Year-end Actual 2015-16	Change from 2015-16 Prelim to 2016-17 Budget	Year-end Actual 2014-15
REVENUES				
Grants and Contracts	\$ 2,101,256	\$ 1,859,622	13%	\$ 1,277,935
Other Income	180,735	254,077	-29%	62,532
TOTAL OPERATING REVENUES	\$ 2,281,991	\$ 2,113,699	8%	\$ 1,340,467
EXPENSES				
Instruction and Research				
Salaries and Benefits	1,789,043	1,907,555	-6%	1,602,905
Program Support	1,101,162 *	544,164	102%	565,036
Public and Professional Services				
Salaries and Benefits	181,291	177,256	2%	173,109
Program Support	74,561	30,080	148%	67,694
Academic Support				
Salaries and Benefits	-	-	--	-
Program Support	-	-	--	-
Student Services				
Salaries and Benefits	7,220	94	7597%	-
Program Support	71,020	6,385	1012%	5,605
Institutional and Building Support				
Salaries and Benefits	1,500	-	--	37,671
Program Support	56,981	6,994	715%	9,073
Financial Aid				
Salaries and Benefits	117,500	97,851	20%	97,446
Program Support	6,012	4,312	39%	32,781
Administrative Overhead	127,500	167,224	-24%	106,068
Scholarships and Fellowships	2,295,308 *	1,485,793	54%	1,308,989
Student Organizations	- *	126,450	-100%	166,918
TOTAL OPERATINGEXPENSES	\$ 5,829,098	\$ 4,554,158	28%	\$ 4,173,294
NET OPERATIONS	\$ (3,547,107)	\$ (2,440,459)	45%	\$ (2,832,827)
NONOPERATING REVENUES (EXPENSES)				
Donations	\$ 764,584 *	\$ 1,836,723	-58%	\$ 1,782,710
Investment Income	8,000	8,503	-6%	12,605
Endowment Payout	994,734 *	1,004,888	-1%	911,383
Realized Gain/Loss on Sale of Investments	-	418	-100%	(137)
Unrealized Gain/Loss on Investments	-	(32,668)	-100%	43,986
Net Transfers to/from Other Funds	(195,000)	36,190	-639%	1,964,761
TOTAL NONOPERATING REVENUES (EXPENSES)	\$ 1,572,318	\$ 2,854,054	-45%	\$ 4,715,309
TOTAL CHANGE IN NET ASSETS	\$ (1,974,789)	\$ 413,595	-577%	\$ 1,882,481

*See attached narrative.

HASTINGS COLLEGE OF THE LAW
Non-State Budget, Unrestricted Funds
2016-17 Proposed Budget

	Proposed Budget 2016-17	Preliminary Year-end Actual 2015-16	Change from 2015-16 Prelim to 2016-17 Budget	Year-end Actual 2014-15
REVENUES				
Dues/Memberships	\$ 200,000	\$ 265,975	-25%	\$ 197,500
Fees	214,312	233,821	-8%	432,283
Other Income	288,893	372,541	-22%	294,801
Overhead Allowances	178,204	170,492	5%	112,920
TOTAL OPERATING REVENUES	\$ 881,409	\$ 1,042,830	-15%	\$ 1,037,503
EXPENSES				
Instruction and Research				
Salaries and Benefits	476,252 *	323,139	47%	219,091
Program Support	505,284 *	356,986	42%	305,592
Public and Professional Services				
Salaries and Benefits	1,000	-	--	-
Program Support	18,550	20,836	-11%	8,299
Academic Support				
Salaries and Benefits	11,500	1,700	576%	10,000
Program Support	72,276	54,389	33%	88,932
Student Services				
Salaries and Benefits	-	-	--	64,659
Program Support	111,706	121,461	-8%	166,680
Institutional and Building Support				
Salaries and Benefits	808,185	809,443	0%	759,606
Program Support	1,137,074 *	1,819,267	-37%	1,010,654
Financial Aid				
Scholarships and Fellowships	68,130	109,257	-38%	55,176
Program Support	4,105	4,105	0%	3,687
TOTAL OPERATING EXPENSES	\$ 3,214,062	\$ 3,620,583	-11%	\$ 2,692,376
NET OPERATIONS	\$ (2,332,653)	\$ (2,577,753)	-10%	\$ (1,654,873)
NONOPERATING REVENUES (EXPENSES)				
UCH Foundation Grants and Other Donations	1,074,500 *	969,680	11%	1,147,627
Investment Income	50,450	60,222	-16%	86,057
Endowment Payout	241,801	241,801	0%	217,694
Endowment Management Fee	88,906	88,906	0%	80,098
Realized Gain/Loss on Sale of Investments	-	5,481	--	-
Unrealized Gain/Loss on Investments	- *	(299,964)	-100%	414,263
Net Transfers to/from Other Funds	195,000	206,979	-6%	(34,232)
TOTAL NONOPERATING REVENUES (EXPENSES)	\$ 1,650,657	\$ 1,273,106	30%	\$ 1,911,506
TOTAL CHANGE IN NET ASSETS	\$ (681,996)	\$ (1,304,647)	-48%	\$ 256,633

*See attached narrative.

by court order); \$82,000 General Scholarship; \$65,000 in scholarships funded by an anonymous donor; \$57,650 Innovation Law Clinic scholarships; \$43,000 for the Kenneth E. Olivier '77 Scholarship Fund; \$39,960 Abascal Public Interest Fellowship; \$30,000 Percy Towne Scholarship; \$24,000 Hastings Foundation Scholarship; and \$20,000 Blum Foundation Scholarship.

- Student Organizations – Student organizations are not required to budget expenditures but actual activity is recognized at year-end.

Nonoperating Revenues (Expenses)

- Donations – The 2016-17 budget for donations reflects projected gifts from recurring or known sources and has been downwardly adjusted to account for one time donations in 2015-16. Included here are the following significant restricted gifts expected in 2016-17, amounts before deduction of the 5% gift processing fee:
 - \$250,000 pledged addition to the Kenneth E. Olivier '77 Scholarship Fund
 - 150,000 for support of the Center for WorkLife Law
 - \$181,799 for the Leon and Esther Blum Scholarship
 - \$75,000 pass-through funding of the Tony Patino Memorial Fellowship
 - \$90,000 for the Center for Gender and Refugee Studies

Endowed Funds Spending Rate and Cost Recovery Surcharge

- Endowment Spending Rate – The budget for endowed funds is based on 2015-16 payout distributions reflecting a total return spending policy permitting the expenditure of both current income and a portion of appreciation. As adopted by the Board of Directors in March 2016, the spending rate for 2016-17 is 4.0 percent calculated on the 12 quarter rolling average market value of all endowed funds (January 2013–December 2015). In 2015-16 the approved payout rate was also 4.0 percent.
- Endowment Management Cost Recovery Surcharge – A cost recovery fee with a surcharge of 35 basis points (0.35 percent) is applied to distributions from the General Endowment Pool for endowed funds. The funds recovered will be used to defray, in part, the cost of carrying out the terms of endowments and provide additional resources for the fundraising effort.

UNRESTRICTED FUNDS

This report includes all non-state current-use funds that do not have restrictions imposed upon them from external sources. These funds include gifts given without restriction such as the UC Hastings Foundation support in the form of black grants for Institutional Advancement and Alumni Office operations. In addition, funds generated that support the budget of individual programs such as research centers, and conferences are also recorded here. Miscellaneous revenue sources such as classroom rental and vending machine commissions fund programs that may not have income of their own such as Student and College-wide events and administrative support funds. Designated Funds, those funds restricted as to use by the Board of Directors (e.g., Digardi Professorship,

Hastings Chair, PICAP) are also categorized as unrestricted current-use funds because it is within the Board's power to remove such restrictions.

Overall

On an overall basis, the net effect of planned activity is a \$681,996 reduction in unrestricted fund net assets, a function of spending accumulated current-use fund balances.

Expenses

- Instruction and Research, Salaries and Benefits – The Center for WorkLife Law is projecting salaries and benefits in 2016-17 greater than 2015-16 funded by unrestricted sources. Also included are \$30,000 additional awards from the Harry and Lillian Hastings Research Chair account.
- Instruction and Research, Program Support – The Center for WorkLife Law has projected program support in 2016-17 \$98,000 greater than 2015-16 expenditures. Also included in 2016-17 is \$47,000 for Innovation Institute Research consulting services; funded by NSF grant overhead this allocation is to address grant compliance and IRB approvals.
- Institutional and Building Support, Program Support – Expenditure authority from unrestricted reserves in the Hastings Digardi Hall fund, in support of Long Range Campus Planning pre-development activities, is reduced by \$660,000; in 2015-16 \$965,780 was expended and the 2016-17 allocation is \$305,339. The 2016-17 LRCP budget presented to the Board in June 2016 includes year Hastings' share of joint development costs with UCSF (year one of two), CEQA environmental review, fundraising collateral materials, and outreach events. A new allocation of \$60,000 is budgeted in 2016-17 for travel and lodging related to the search for Chancellor and Dean. A budgetary reduction of \$126,000 is reflected in Institutional Advancement, primarily the result of one-time recruitment expense in 2015-16 at \$70,000 and planned reduction of \$44,000 in printing expense.

Nonoperating Revenues (Expenses)

- Donations – The UC Hastings Foundation budget includes block grants to the College reflecting annual transfers of unrestricted gift revenues. The Foundation's 2016-17 block grants total \$907,000 for Alumni Office, Institutional Advancement, administrative and other support; this amount is increased by \$151,000 from \$756,000 in 2015-16. The 2016-17 budget has been reduced by one-time gifts received in 2015-16.
- Unrealized Gain/Loss on Investments – This category accounts for the change in the market value of the nonstate unrestricted fund's share of UC General Endowment and is not a budgeted item as there is no basis for a projection.

5. PROPOSED RESOLUTION

Resolved that the Finance Committee recommend that the Board of Directors approve the attached non-state budget for 2016-17.

REPORT ITEM

1. **REPORT BY:** David Seward
2. **SUBJECT:** Auxiliary Enterprises Budget Report
– 2015-16 Preliminary Year-end
3. **REPORT:**

The 2015-16 preliminary year-end budget reports for auxiliary enterprises -- McAllister Tower, Parking Garage, Student Health Services, and Business Center -- are attached. Major variances are outlined below.

McALLISTER TOWER

Expenditures

- Other Contract Services – Payment of the College’s Self Insured Retention of \$25,000 for the water pipe breakage was posted to this account. Other unbudgeted costs of \$14,000 were incurred to retain an interior designer to identify options to refurbished the Skyroom, \$12,000 for professional services related to interior finish options for upgrading elevator cab finishes with the remaining variance to flooring replacement (and related environmental mitigation costs) in units beyond the initial plan for the fiscal year.
- Miscellaneous – The cost of a \$40,000 settlement related to a claim from a student resident was posted to this account.
- Overhead Pro Rata – For 2015-16, indirect cost recovery rates were increased from 5% to 12% as part of the effort to help balance the budget for Core Operations (i.e., the State Budget). For McAllister Tower, the preliminary year indirect cost assessment totaled \$580,000.

Nonoperating Revenues / (Expenses)

- Transfer to Other Funds – A nonstate budget change was approved by the Board of Directors at the September 11, 2015 meeting authorizing cash transfers totaling \$401,778. The midyear revised budget is \$499,023 and reflects the following allocations:
 - \$361,756 to fund parking garage retail development and build-out approved by the Board through June 2016.
 - \$76,713 to fund parking garage operational expenditures through June 30, 2015 not covered by net income.
 - \$43,500 to fund parking garage retail development and broker commission expenditures through June 2016.

HASTINGS COLLEGE OF THE LAW
Auxiliary Enterprises - 2015-16 Preliminary Year-end Actual

8/2/2016

	McAllister Tower	Parking Garage	Student Health	Business Center	Total
Revenues	4,830,030	2,327,063	619,938	334,321	8,111,352
Expenditures*	3,195,000	953,219	656,226	337,522	5,141,967
Net Operations	1,635,030	1,373,843	(36,288)	(3,201)	2,969,384
Nonoperating Revenues/(Expenses)					
Investment Income	23,083	1,070	3,765	597	28,516
Realized Gain/Loss on Investments	609	3	1	-	613
Unrealized Gain/Loss on Investments	(33,924)	(193)	(53)	-	(34,170)
Funded from Bond Proceeds	-	960	-	-	960
Debt Service	-	(1,587,568)	-	-	(1,587,568)
Transfer to/from Other Funds	(509,330)	77,426	-	-	(431,904)
Cash Short/Over	-	(123)	-	-	(123)
<i>Sub-total</i>	(519,562)	(1,508,423)	3,713	597	(2,023,675)
TOTAL CHANGE IN NET ASSETS	\$ 1,115,468	\$ (134,580)	\$ (32,575)	\$ (2,603)	\$ 945,709

*Expenditures include \$977,207 in administrative overhead assessments reflecting 12% of operating revenues. Absent these indirect costs the net results for auxiliary enterprises is \$1,922,916.

HASTINGS COLLEGE OF THE LAW
 McAllister Tower Budget Report -- 2015-16

8/2/2016

	Beginning Budget 2015-16	Midyear Revised Budget 2015-16	Preliminary Year-end Actual 2015-16	Actual Year-end as a Percent of Revised Budget	Year-end Actual 2014-15
REVENUES					
Apartment & Commercial Rent	4,755,657	4,798,657	4,798,778	100%	4,481,436
Other	23,000	26,151	31,252	120%	30,286
TOTAL OPERATING REVENUES	\$ 4,778,657	\$ 4,824,808	\$ 4,830,030	100%	\$ 4,511,722
EXPENDITURES					
Salaries and Wages	84,783	84,783	77,127	91%	76,809
Student Wages--Regular & Work-study	13,000	26,000	19,874	76%	15,703
Staff Benefits	28,826	28,826	25,913	90%	24,251
Regular Contract Services	1,080,000	1,073,890	1,060,006	99%	1,052,994
Other Contract Services	105,000	111,000	190,974 *	172%	142,494
Utilities	693,850	643,200	627,124	98%	639,936
Maintenance & Special Repairs	145,740	233,040	228,064	98%	258,673
Insurance	115,000	108,881	108,881	100%	103,690
Supplies	100,000	140,000	158,974	114%	87,055
Printing & Reproduction	1,875	1,875	2,023	108%	2,456
Telephone	2,400	1,000	730	73%	896
Miscellaneous	93,150	77,100	113,432 *	147%	80,403
Equipment & Building Improvements	-	13,855	1,416	10%	228,838
Overhead Pro Rata	573,439	578,977	580,462 *	100%	125,897
TOTAL OPERATING EXPENDITURES	\$ 3,037,063	\$ 3,122,427	\$ 3,195,000	102%	\$ 2,840,095
NET OPERATIONS	\$ 1,741,594	\$ 1,702,381	\$ 1,635,030	96%	\$ 1,671,627
NONOPERATING REVENUES (EXPENSES)					
Investment Income	12,000	12,000	23,083	192%	15,486
Realized Gain/Loss on Sale of Investments	-	-	609	--	-
Unrealized Gain/Loss on Investments	-	-	(33,924)	--	43,865
Transfer to Other Funds	-	(499,023)	(509,330) *	102%	(421,031)
TOTAL NONOPERATING REVENUES	\$ 12,000	\$ (487,023)	\$ (519,562)	107%	\$ (361,680)
TOTAL CHANGE IN NET ASSETS	\$ 1,753,594	\$ 1,215,358	\$ 1,115,468	92%	\$ 1,309,947

HASTINGS COLLEGE OF THE LAW
Hastings Parking Garage and Retail Operations Budget Report -- 2015-16

8/2/2016

	Beginning Budget 2015-16	Midyear Revised Budget 2015-16	Preliminary Year-end Actual 2015-16	Actual Year-end as a Percent of Revised Budget	Year-end Actual 2014-15
REVENUES					
Parking Operations	2,100,000	2,036,740	2,057,609	101%	1,960,316
Retail Leases	303,000	268,400	268,541	100%	268,697
Other (including Storage)	2,000	2,000	913	46%	800
TOTAL OPERATING REVENUES	\$ 2,405,000	\$ 2,307,140	\$ 2,327,063	101%	\$ 2,229,813
EXPENDITURES					
Salaries and Wages	349,556	349,556	348,720	100%	347,419
Staff Benefits	82,959	82,959	81,697	98%	76,360
Regular Contract Services	7,000	7,000	7,000	100%	7,000
Other Contract Services	13,140	13,140	12,456	95%	19,301
Utilities	68,900	69,900	67,661	97%	61,751
Maintenance & Special Repairs	43,156	41,516	48,968	118%	160,663
Insurance	52,605	57,932	57,932	100%	52,605
Supplies	5,000	5,000	5,447.88	109%	10,729
Printing, Telephone and Mail	3,350	3,350	2,554	76%	2,985
Advertising/Promotion	300	300	-	0%	-
Miscellaneous & Credit Card Fees	37,550	39,120	41,551	106%	34,728
Overhead Pro Rata	288,600	276,857	279,233 *	101%	38,659
TOTAL OPERATING EXPENDITURES	\$ 952,116	\$ 946,630	\$ 953,219	101%	\$ 812,201
NET OPERATIONS	\$ 1,452,884	\$ 1,360,510	\$ 1,373,843	101%	\$ 1,417,612
NONOPERATING REVENUES (EXPENSES)					
Investment Income	\$ 5,500	\$ 1,000	\$ 1,070	107%	\$ 3,939
Realized Gain/Loss on Sale of Investments	-	-	3	--	-
Unrealized Gain/Loss on Investments	-	-	(193)	--	260
Funded from Bond Proceeds	955	955	960	101%	6,643
Debt Service (Principal & Interest)	(1,587,568)	(1,587,568)	(1,587,568)	100%	(1,587,165)
Transfer from Other Funds	-	76,713	77,426 *	101%	-
Cash Short/Over	-	-	(123)	--	(1,700)
TOTAL NONOPERATING REVENUES (EXPENSES)	\$ (1,581,113)	\$ (1,508,900)	\$ (1,508,423)	100%	\$ (1,578,023)
TOTAL CHANGE IN NET ASSETS	\$ (128,229)	\$ (148,390)	\$ (134,580)	91%	\$ (160,411)

HASTINGS COLLEGE OF THE LAW
 Student Health Services Budget Report -- 2015-16

8/2/2016

	Budget 2015-16	Revised Budget 2015-16	Preliminary Year-end Actual 2015-16	Actual Year-end as a Percent of Budget	Year-end Actual 2014-15
REVENUES					
Fees	\$ 655,130	\$ 621,783	\$ 619,403	100%	\$ 637,497
Other	-	363	535	147%	-
TOTAL OPERATING REVENUES	\$ 655,130	\$ 622,146	\$ 619,938	100%	\$ 637,497
EXPENDITURES					
Salaries and Wages	434,926	424,412	390,844	92%	401,837
Staff Benefits	77,450	73,875	70,035	95%	70,661
Consultants and Contracted Services	53,360	63,874	67,377	105%	54,643
Insurance	34,356	33,512	33,512	100%	34,356
Supplies	6,200	8,200	11,816	144%	5,238
Printing and Mail	2,100	1,499	1,295	86%	2,564
Travel	3,550	3,050	2,019	66%	2,504
Miscellaneous	1,770	1,715	1,429	83%	1,239
Events	200	563	507	90%	494
Overhead Pro Rata	78,616	74,658	77,393 *	104%	28,676
TOTAL OPERATING EXPENDITURES	\$ 692,528	\$ 685,358	\$ 656,226	96%	\$ 602,213
NET OPERATIONS	\$ (37,398)	\$ (63,212)	\$ (36,288)	57%	\$ 35,284
NONOPERATING REVENUES (EXPENSES)					
Investment Income	11,000	5,000	3,765	75%	7,546
Realized Gain/Loss on Sale of Investments	-	-	1	--	-
Unrealized Gain/Loss on Investments	-	-	(53)	--	72
TOTAL NONOPERATING REVENUES (EXPENSES)	\$ 11,000	\$ 5,000	\$ 3,713	74%	\$ 7,618
TOTAL CHANGE IN NET ASSETS	\$ (26,398)	\$ (58,212)	\$ (32,575)	56%	\$ 42,902

HASTINGS COLLEGE OF THE LAW
Business Center Budget Report -- 2015-16

8/2/2016

	Budget 2015-16	Preliminary Year-end Actual 2015-16	Actual Year-end as a Percent of Budget	Year-end Actual 2014-15
REVENUES				
Copy Services	\$ 330,640	\$ 334,321	101%	\$ 324,987
TOTAL OPERATING REVENUES	\$ 330,640	\$ 334,321	101%	\$ 324,987
EXPENDITURES				
Contracted Services	296,848	296,631	100%	300,087
Supplies	250	-	0%	-
Printing	500	622	124%	135
Events & Promotions	250	-	0%	48
Miscellaneous	250	150	60%	-
Overhead Pro Rata	39,677	40,119 *	101%	7,507
TOTAL OPERATING EXPENDITURES	\$ 337,775	\$ 337,522	100%	\$ 307,777
NET OPERATIONS	\$ (7,135)	\$ (3,201)	45%	\$ 17,210
NONOPERATING REVENUES (EXPENSES)				
Investment Income	1,370	597	44%	1,008
TOTAL NONOPERATING REVENUES (EXPENSES)	\$ 1,370	\$ 597	44%	\$ 1,008
TOTAL CHANGE IN NET ASSETS	\$ (5,765)	\$ (2,603)	45%	\$ 18,218

- \$17,054 carry-over authority to fund the Tower's Window Replacement Pilot Project.

Further, a \$10,000 transfer was made in June 2016 to fund an accumulated cash deficit in the Fitness Center account.

PARKING GARAGE

Expenditures

- Overhead Pro Rata – For 2015-16, indirect cost recovery rates were increased from 5% to 12% as part of the effort to help balance the budget for Core Operations (i.e., the State Budget). For the Parking Garage, the preliminary year indirect cost assessment totaled \$279,000.
- Transfer from Other Funds – A nonstate budget change approved by the Board of Directors in September 2015 transfers cash of \$76,713 from McAllister Tower to fund parking garage operational expenditures through June 2015 not covered by net income.

STUDENT HEALTH SERVICES

Expenditures

- Overhead Pro Rata –For 2015-16, indirect cost recovery rates were increased from 5% to 12% as part of the effort to help balance the budget for Core Operations (i.e., the State Budget). For Student Health Services, the preliminary year indirect cost assessment totaled \$77,000.

BUSINESS CENTER

Expenditures

- Overhead Pro Rata –For 2015-16, indirect cost recovery rates were increased from 5% to 12% as part of the effort to help balance the budget for Core Operations (i.e., the State Budget). For the Business Center, the preliminary year indirect cost assessment totaled \$40,000.

ACTION ITEM

- 1. REPORT BY:** David Seward
- 2. SUBJECT:** Auxiliary Enterprises Budget Changes - 2016-17
- 3. RECOMMENDATION:**

That the Finance Committee recommend that the Board of Directors approve the budget changes described below.

4. BACKGROUND:

The annual budget for the College's auxiliary enterprises is considered by the Board of Directors at its June meeting. Requested is authority to amend the 2016-17 budget for the following items:

11.1 McAllister Tower – Skyroom – Interior Finishes Renewal \$100,000

The Skyroom is in need of renewal of its finishes, carpeting and fixtures. Since its development in 1999, only periodic painting and carpet replacement has been effectuated. This proposal would upgrade interior finishes, light fixtures, bar refrigerators, replacement of table tops, and artwork wall panels. Interior finishes to include paint to existing walls and trim, new wall panel wainscots, new carpet tile, and paint to existing ceilings. Electrical includes replacement of existing light fixtures in existing locations using existing wiring and controls. Equipment includes new under counter bar refrigerators and caps to existing bar countertop.

11.2 McAllister Tower – Elevator Cab Renewal \$80,000

The interiors of the four elevator cabs supporting vertical transportation at McAllister Tower are in need up replacement. New wall panels, ceiling grids and flooring would be installed.

11.3 Parking Garage – Special Maintenance \$30,000

The stairway treads for the two staircases located at the Parking Garage have become worn and need replacement.

5. PROPOSED RESOLUTION:

That the Finance Committee recommend that the Board of Directors approve revising the 2016-17 auxiliary enterprise budget as described below:

- | | | | |
|---|------|--|-----------|
| * | 11.1 | McAllister Tower – Skyroom – Interior Finishes Renewal | \$100,000 |
| * | 11.2 | McAllister Tower – Elevator Cab Renewal | \$80,000 |
| * | 11.3 | Parking Garage – Special Maintenance | \$30,000 |

ACTION ITEM

- 1. REPORT BY:** David Seward
- 2. SUBJECT:** State Contracts in Excess of \$50,000
- 3. RECOMMENDATIONS:**

That the Finance Committee recommends that the Board of Directors authorize award of the 2016-17 state contracts described in this report.

Item: 12.1
Title: Kane Hall – Master Planning
Vendor Name: MkThink
Cost: \$104,570
Term of Contract: One-year

Description:

Contract authority is requested to enter into an agreement with MKThink to provide strategic services for the Programming and Planning Phases of Kane Hall, specifically assessing potential reconfiguration of floors 1 & 2, and the roof master plan at 200 McAllister.

Relocation of existing functions on the 1st and 2nd floors of 200 McAllister will take into consideration optimized use of floor plates and organizational efficiencies by promoting programmatic adjacencies as the College looks to implement the Long Range Campus Plan. In addition, the roof of Kane Hall provides significant opportunity for programmable outdoor space, enabled by the future connection to the upper level of the new 333 Golden Gate Avenue building. The scope of work includes the development of a program and conceptual plan for the 200 McAllister roof, and conduct a feasibility assessment to determine the level of effort required to accommodate the desired functionality

Further, MkThink will be tasked with consolidating and merging various planning documents to create the penultimate Long Range Campus plan document for external distribution along with the annual updated Five Year Infrastructure Plan required by the Department of Finance.

Item: 12.2
Title: Software & Information Technology
Vendor Name: Simplr
Cost: \$93,600
Term of Contract: Renewal of existing agreement (three year term)

Description:

Contract authority is requested to enter into an agreement with Simpplr for the providing a cloud-based social intranet. Simpplr is a third-party application that works in conjunction with the Salesforce platform already in place. Simpplr will provide content management and integrate with the College’s single sign-on requirements.

Item: 12.3
Title: Graphics Design
Vendor Name: Mortar
Cost: \$75,000
Term of Contract: One-time engagement

Description:

Contract authority is requested to enter into an agreement with Mortar for professional services related to an institutional branding initiative. Mortar will be called on to design campaign assets, a style guide, refreshed street pole banners, and refreshed street pole banner digital extensions. The initiative is designed to build student pride and institutional prominence.

Item: 12.4
Title: Sign Language Interpreter Service
Vendor Name: Partners In Communication
Cost: \$75,000
Term of Contract: One-time engagement

Description:

Contract authority is requested to enter into an agreement with Partners In Communication for providing sign language interpretation services required by the college and coordinated through the Disabilities Resource Program (DRP), as needed for classes, seminars and other events. The engagement is for the academic year.

4. PROPOSED RESOLUTION:

That the Finance Committee recommends that the Board of Directors authorize award of the 2016-17 state contracts listed below:

12.1	Kane Hall Master Planning - MkThink	\$104,570
12.2	Software & Information Technology - Simplr	\$93,600
12.3	Graphics Design – Mortar	\$75,000
12.4	Sign Language Interpreter Services – Partners in Communications	\$75,000

ACTION ITEM

- 1. REPORT BY:** David Seward
- 2. SUBJECT:** Nonstate Contracts in Excess of \$50,000
- 3. RECOMMENDATIONS:**

That the Finance Committee recommends that the Board of Directors authorize acceptance of the 2016-17 nonstate grants and contracts described in this report.

4. BACKGROUND:

Under Section 100.4 of the Standing Orders, Duties of the Chancellor and Dean, the Chancellor and Dean is “authorized to execute on behalf of the College all contracts and other documents necessary to solicit and accept pledges, gifts, and grants”. The full text of this section is attached. This item is intended to address reporting and approval requirements to the Board of Directors as directed by the Standing Orders.

Item: 13.1
Title: Center for Gender and Refugee Studies – Research Grant
Grantor: National Science Foundation
Grant Award: \$185,998
Term: Multi-year

Description:

The National Science Foundation awarded a grant of \$60,000 to UC Hastings in February 2016 to support a project entitled "Collaborative Research: How Do U.S. Immigration Courts Decide Gender-based Asylum Cases" under the direction of Prof. Karen Musalo. This award is expected to total \$185,998.

Item: 13.2
Title: Institute for Innovation Law – Research Grant
Grantor: National Science Foundation
Grant Award: \$387,324
Term: Two year

Description:

The National Science Foundation awarded a grant of \$387,324 to UC Hastings in April 2016 to support a project entitled "Patent Licensing, Technology Transfer, and Innovation" under the direction of Prof. Robin Feldman. The purpose of the grant is to conduct a national survey to

**University of California
Hastings College of the Law**

STANDING ORDERS

Adopted June 12, 1992

Amended September 8, 1995

Amended December 1, 2000

Amended June 15, 2001

Amended September 14, 2001

Amended December 6, 2002

Amended March 5, 2004

Amended June 10, 2005

shall annually, through the Committee on Finance, present recommendations as to State appropriation requests.

(i) **Interfund Transfers** - The Chancellor and Dean is authorized to approve transfers or allocations of College operating funds and transfers of funds designated for capital outlay purposes, subject to any limitations which might be imposed by the terms of said funds, provided:

- 1) That no such transfer or allocation shall result in the establishment of a new policy, program, or project;
- 2) That no transfer shall be made from a restricted fund for a purpose other than that for which the restricted fund was established;
- 3) All transfers and allocations shall be reported to the Board through the Committee on Finance at its next meeting.

Contract Authority.

(j) **Commitments for Budgeted Expenditures** - The Chancellor and Dean, or his/her designee, is authorized to execute on behalf of the College contracts, agreements, and other documents consistent with the College's *Financial Operations Policy and Procedures Manual*.

(k) **Commitments for Expenditures in Advance of Budget** - The Chancellor and Dean is authorized to approve the incurring of commitments and expenditures against the following year's State budget in advance of the effective date thereof. Advance commitments for expenditure for materials, services, and equipment shall not exceed fifty percent of the Governor's budget proposal to the Legislature for such purposes for the ensuing fiscal year. Advance commitments for appointments shall not exceed the number of positions and the funds provided in the Governor's budget proposal to the Legislature for the ensuing fiscal year.

(l) **Commitments to Accept Funds** - Except as otherwise provided in the By-laws and Standing Orders, the Chancellor and Dean is authorized to execute on behalf of the College all contracts and other documents necessary to solicit and accept pledges, gifts, and grants, except that authorization of the Board shall be required for documents which involve or which are:

- 1) Exceptions to approved College programs and policies; or commitments for more than five (5) years; or obligations on the part of the College to expenditures or costs for which there is no established fund source;

2) Solicitation or acceptance of any restricted pledges, gifts or grants requiring the establishment of a new fund except in instances when the restricted gift or grant is in an amount of \$50,000 or less and is designated for a program already approved by the Board and which does not involve any expenditure on the part of the College; provided, however, that the receipt of such gift or grant shall be reported to the Board at its next scheduled meeting following acceptance of the gift or grant and establishment of a restricted fund. Between Board meetings, in the event an offer of an unsolicited pledge, gift or grant requiring the establishment of a new fund in excess of \$50,000 or which involves a restricted gift, pledge or grant of less than \$50,000 and is designated to a program not already approved by the Board and which involves any expenditure on the part of the College, is received, the Chair of the Board in consultation with the General Counsel may grant interim acceptance approval, subject to ratification by the Board.

3) Affiliation agreements with other institutions involving direct financial obligations or commitments to programs not previously approved;

4) Any gift of real estate, mineral rights, ground leases, partnership interest, encumbered property, or privately held securities;

5) The naming of any College chair, scholarship, endowment, room, building, or other College facility or area. Between Board meetings, in the event an offer of an unsolicited pledge or gift requiring an agreement to name is received, the Chair of the Board in consultation with the General Counsel may grant interim approval, subject to ratification by the Board.

measure the impact of non-practicing entities — patent-holding entities that do not make any products but sue or threaten others with patent infringement — on the patent system.

Item: 13.3
Title: Institute for Innovation Law – Research Grant
Vendor: Indiana University Center for Survey Research
Grant Award: \$188,285
Term: Two year

Description:

Contract authority is requested to enter into an agreement with Indiana University Center for Survey Research. The scope of work includes \$60,077 for survey development, including experimental pre-tests and cognitive interviews to design the survey; \$86,286 will be required for data collection; and \$41,922 is allocated for post-data collection analysis, which includes producing a methodology report, weighting and nonresponse analysis, as well as archiving.

4. PROPOSED RESOLUTION:

That the Finance Committee recommends that the Board of Directors authorize acceptance of the following grants:

13.1	Center for Gender and Refugee Studies – Research Grant – NSF	\$185,998
13.2	Institute for Innovation Law – Research Grant – NSF	\$387,324
13.3	Institute for Innovation Law – Indiana University	\$188,285

REPORT ITEM

1. **REPORT BY:** David Seward
2. **SUBJECT:** Update on Long Range Campus Plan
3. **REPORT:**

An oral report will be presented on implementation efforts related to the Long Range Campus Plan.

REPORT ITEM

1. **REPORT BY:** David Seward
2. **SUBJECT:** Insurance Coverage for 2016-17
3. **REPORT:**

Attached is a report summarizing each of the lines of coverage maintained by the College for 2016-17 prepared by its broker, Alliant Insurance Services, Inc.

UC Hastings College of the Law

Insurance Program Renewal 2016-2017 Insurance Proposals

Proudly Presented by:

Daniel Howell
Senior Executive Vice President

David Evans
First Vice President



*100 Pine Street, 11th Floor
San Francisco, CA 94111
(415) 403-1400 / Fax # (415) 874-4812*

Alliant Insurance Services, Inc.
CA License No. 0C36861
www.alliant.com



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June 23, 2016

Mr. David Seward
Chief Financial Officer
UC Hastings College of the Law
200 McAllister Street
San Francisco, CA 94102

2016/2017 INSURANCE PROGRAM RENEWAL PROPOSALS

Dear David,

Alliant Insurance Services is pleased to present renewal proposals for UC Hastings Liability, Property and Workers' Compensation Insurance Program effective July 1, 2016. Despite an increase in property insurance costs due to loss experience, there is an overall decrease in cost due to the workers' compensation savings.

Line of Coverage	Carrier	2015/2016 Bound Premium	2016/2017 Proposed Premium	% Change	\$ Change
General Liability	United Educators	\$58,814.00	\$59,240.00	0.72%	\$426
Excess Liability	United Educators	93,388.00	93,133.00	-0.27%	(255)
Educators Legal	United Educators	109,923.00	109,623.00	-0.27%	(300)
Licensed Professional Liability	United Educators	7,827.00	7,414.00	-5.28%	(413)
Prof. Liability (Medical Clinic)	Darwin	12,871.82	12,871.82	0.00%	Flat
Prof. Liability (Medical Clinic)	Darwin	20,640.00	20,640.00	0.00%	Flat
Auto Liability (3 units)	State of CA	1,647.00	1,659.00	0.73%	12
Property	PEPIP	178,777.00	196,342.00	9.83%	17,565
Crime	National Union	2,950.00	2,950.00	0.00%	Flat
Workers' Compensation	CSAC-EIA	123,360.00	93,066.00	-24.56%	(30,294)
Garage Keepers Legal Liability	AIX Specialty	7,740.00	8,772.00	13.33%	1,032
United Educators Dividend		(6,764.00)	(7,299.88)		
		\$611,173.82	\$598,410.94	-2.09%	\$(12,763)

LIABILITY PROGRAM – United Educators

(General Liability, Excess Liability, Educators Legal Liability and Licensed Professional Liability)

United Educators is again quoting small increases to members this year. UE is a stable provider and does pay dividends to members if the premiums collected plus investment income exceed claims. While the overall casualty market is somewhat soft this year, a change from UE would mean losing the extensive higher education resources available to UE members as well as the responsive claims services of which UC Hastings is aware.

We believe UCH should consider adding limits to its excess liability program this year. While a \$15 million limit for Educator's Legal Liability (ELL) is a reasonable limit to maintain for an organization of UCH's size, Alliant has extensive experience in the California public sector and



we think additional ELL limits would not be out of line. Similarly, the General liability limit of \$35 million can be increased for a reasonable cost. We consider the dormitory exposure a significant risk and advise additional limits if affordable. UE has a maximum capacity of \$40 million and has provided the following limits options.

- Educators Legal Liability Limits – UE has quoted the following:
 - \$20,000,000 Limit at \$112,208 Annual Premium
 - \$25,000,000 Limit at \$114,985 Annual Premium
 - \$40,000,000 Limit at \$130,968 Annual Premium
- Excess Liability – UE has quoted the following:
 - \$40,000,000 Limit at \$96,344 Annual Premium

As we have discussed in the past, there's not a clear answer to how much limits are enough. I can advise that litigation costs continue to rise and outpace inflation. Also, due to UE's reinsurance treaty structure, their pricing for additional limits is definitely lower than what would be available in the market.

Dividend Distribution Information 2016

On March 14, 2016, the UE Subscriber Advisory Board voted to again distribute dividends to United Educators (UE) members for the sixth consecutive year. The dividend distribution is an important benefit of ownership with UE and highlights our financial strength while reinforcing UE as a solid, long-term investment for members.

Dividend distributions are based on the balance in a member's Subscriber Savings Account (SSA) as of March 14, 2016 and will be payable 45 days after policy renewal. The amount for t UC Hastings will be: \$7,299.88.

Members are encouraged to expedite receipt of their dividend distribution by having funds electronically deposited. For an Authorization for Direct Payment form for members and more information on SSAs and the 2016 Dividend Distribution, visit www.ue.org <<http://www.ue.org>>.

Medical Professional Liability (Clinics)

The Medical Professional liability policies are essentially flat and this market remains soft. UC Hastings purchases coverage to a limit of \$5,000,000 which we believe is prudent for the scope of the exposure and clientele.

Auto

The State of California Auto Liability program remains an incredible value, providing unlimited coverage for UCH owned and non-owned vehicles operated by UCH employees. Note that non-employee drivers are only covered to \$1 million and the UE program would pick up the non-employee driver exposure excess of \$1 million. Also, the State program has a directive that rental cars be primarily retained via the State's agreement with Enterprise as that agreement affords primary liability coverage and auto physical damage coverage. Please let us know if you would like information on the Enterprise rental car program. Note that UCH does not have auto physical damage coverage for its three owned units. This can be obtained via the Property insurance program or via the Alliant APD program with a lower deductible. Please let us know whether you would like physical damage coverage on these vehicles.



Property

The property insurance market remains stable, with some softness for accounts with losses. UC Hastings experienced a loss within the past five years and the underwriter has added a premium increase to account for the loss history. The APIP program remains an excellent value and also offers flexibility as Hastings moves towards renewal of capital facilities.

Crime

Alliant's Crime Insurance Program (ACIP) has been quoted by AIG, the incumbent lead at \$1 Million limit. While ACIP has provided a flat renewal, we also approached CSAC Excess Insurance Authority (EIA) for a pricing indication as we discussed at last year's renewal. The CSAC EIA's group crime program can offer increased limits at \$15 Million with two different deductible options as follows:

- \$2,500 Deductible at \$7,885 Annual Premium
- \$25,000 Deductible at \$7,359 Annual Premium

Excess Workers' Compensation

CSAC EIA remains the only solution offering UC Hastings the combination of self-insured status with a low self-insured retention (SIR) at \$250,000. The EIA has communicated its program cost expectations regularly throughout the year. This year's renewal includes a decrease driven by payroll reduction and also EIA has a new Education Tower in its excess workers' compensation program that resulted in a reduced excess insurance rate.

Garage Keepers' Liability

The Garage Keeper's Liability program increased by \$1,032 due to a change in the program underwriter's minimum premium. We inquired with other markets to find a lower cost, but did not receive any lower cost offers. Note that the current underwriter implemented a minimum premium of \$10,000, and relented to \$8,500 for this year. As a result, we need to plan for a further increase next year or find a lower cost market.

David, it is pleasure to work with you and the entire team at UC Hastings. We appreciate the opportunity to serve the College and look forward to working with you during the year.

Very Truly Yours,

Daniel J. Howell
Senior Executive Vice President
415-403-1426

David Evans
First Vice President
415-403-1484



PRIMARY GENERAL LIABILITY

UC Hastings College of the Law

INSURANCE COMPANY:	<i>United Educators Reciprocal Risk Retention Group</i>
A.M. BEST RATING:	A IX
STANDARD & POORS RATING:	Not Rated
CALIFORNIA STATUS:	Admitted
POLICY / COVERAGE TERM:	July 1, 2016 – July 1, 2017

Limit of Liability	\$ 1,000,000	Each Occurrence
	\$ 3,000,000	Annual Aggregate
	\$ 1,000,000	Fire Legal Liability Each Occurrence

Deductible:	\$ 5,000	All Other Occurrence
	\$ 5,000	Property Damage
	\$ 5,000	Medical Payments

Total Annual Premium:	\$ 59,240.00	Policy Premium
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Key Features of Coverage:

- Worldwide territory – not limited to suits brought in the U.S.
- Athletic event liability – including injury to participants
- Professional liability – allied health personnel such as nurses and athletic trainers, claims made
- Police professional liability – for armed security guards
- Medical payments expense - \$5,000 per person – subject to any applicable deductible
- Fire legal liability - \$1,000,000 per occurrence including water damage resulting from fire
- Sudden and accidental above-ground pollution (including bodily injury in laboratories)
- Liquor liability
- Foreign auto liability for rentals (120 day limit)
- Watercraft (non-submersible) up to 50 feet and rowing shells
- Corporal punishment, sexual assault/molestation (perpetrator excluded), occurrence form
- Personal and advertising injury
- Non-cancelable except for non-payment of premium
- **60-days notice of cancellation and non-renewal**
- Defense costs outside limit of liability
- Duty to defend and United Educators has the right to appoint defense counsel
- Employee Benefits errors and omissions coverage



Endorsements:	Additional Insured Endorsement.....	CGL 502I
	Terrorism Risk Insurance Act - Disclosure Statement	CGL761G
	Policy Correction Endt (Corrected Definition)	CGL640G
	Amended Employee Benefits Liability (Full Limit)	CGL661L
	Seamless Coverage Endorsement (CGL with UE ELL)	CGL667C
	Amended Ded and Reporting Provisions	CGL674R
	ProResponse Endorsement.....	CGL727S
	Amended Definition of Occurrence.....	CGL740F
	Amended Renewal Provisions	CGL741G
	UE Change of Address	CGL744N

To issue and release the policy, we will need to submit the following:

1. Written confirmation of order, including quote option (if applicable).
2. Additional information relating to incomplete/unclear responses to application questions previously referenced.
3. Updated broker contact information.



Disclosures

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- Your policy limits are now shared with other entities; their claims involvement may reduce or exhaust your aggregate limit.
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EXCESS LIABILITY

UC Hastings College of the Law

INSURANCE COMPANY: *United Educators Reciprocal Risk Retention Group*
A.M. BEST RATING: A IX
STANDARD & POORS RATING: Not Rated
CALIFORNIA STATUS: Admitted
POLICY / COVERAGE TERM: July 1, 2016 – July 1, 2017

Limit of Liability:

Option 1

\$35,000,000 Each Occurrence
\$35,000,000 Product, Completed Operations, and Employee
Occupational Disease Annual Aggregate
\$35,000,000 Sexual Molestation Annual Aggregate
\$35,000,000 Athletic Traumatic Brain Injury Annual Aggregate

Option 2

\$40,000,000 Each Occurrence
\$40,000,000 Product, Completed Operations, and Employee
Occupational Disease Annual Aggregate
\$40,000,000 Sexual Molestation Annual Aggregate
\$40,000,000 Athletic Traumatic Brain Injury Annual Aggregate

Option 3

\$30,000,000 Each Occurrence
\$30,000,000 Product, Completed Operations, and Employee
Occupational Disease Annual Aggregate
\$30,000,000 Sexual Molestation Annual Aggregate
\$30,000,000 Athletic Traumatic Brain Injury Annual Aggregate

Underlying Limit: \$ 1,000,000 Each Occurrence

Total Annual Premium:

Option 1

\$ 93,133.00 Policy Premium

Option 2

\$ 96,344.00 Policy Premium

Option 3

\$ 89,921.00 Policy Premium



Key Features of Coverage:

- Worldwide territory - not limited to suits brought in the United States
- General liability (including products and completed operations), automobile liability and employer's liability
- Athletic event liability - including injury to participants
- Professional liability of employees in student infirmaries
- Security forces liability
- Sudden and accidental above-ground pollution (including bodily injury in laboratories)
- Liquor liability
- Watercraft (non-submersible) up to 50 feet and rowing shells
- Corporal punishment, sexual assault/molestation (perpetrator excluded)-full policy limits
- Personal and advertising injury
- Punitive damages (where legally insurable)
- No general aggregate limit of liability
- Defense costs inside limit of liability

Endorsements:

Additional Insured.....	GLX501I
Property Damage Exception.....	GLX542C
Coordination of Coverage Endorsement (LPL/GLX/ELL).....	GLX683C
Policy Correction Endorsement.....	GLX692G
Seamless Coverage Endorsement.....	GLX716C
Amended Definition of Occurrence.....	GLX817L
Amended Renewal Provisions.....	GLX818G
UE Change of Address.....	GLX822N
Terrorism Risk Insurance Act – Disclosure Statement.....	GLX841G



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EDUCATORS LEGAL LIABILITY

UC Hastings College of the Law

INSURANCE COMPANY: *United Educators Reciprocal Risk Retention Group*
 A.M. BEST RATING: A IX
 STANDARD & POORS RATING: Not Rated
 CALIFORNIA STATUS: Admitted
 POLICY / COVERAGE TERM: July 1, 2016 – July 1, 2017

Limit of Liability: \$ 15,000,000 Each Claim
 \$ 15,000,000 Annual Aggregate

Self-Insured Retention: \$ 1,000 Governing Board of Directors, Trustees or Officers who cannot be lawfully indemnified – Per Claim
 \$ 100,000 Wrongful Employment Practices – Per Claim
 \$ 100,000 Each Other Claim

Total Annual Premium: \$ 109,623.00 Policy Premium as per expiring Option

Key Features of Coverage:

- Trustees & officers liability, educational errors & omissions liability and employment practices liability
- Complaints filed with the EEOC or equivalent state civil rights enforcement agencies
- Mental injury or emotional distress arising out of wrongful employment practices
- Punitive damages (where legally insurable) - \$1,000,000 sublimit (sublimit may be removed subject to underwriting approval and an additional charge)
- Pre-claim advice credit - up to \$10,000 credited toward self-insured retention for cost of legal advice obtained from United Educators Select Counsel (in pre-claim situations that ultimately become a claim)
- Enhanced coverage for confidential data loss/breach, including \$250,000 credit monitory sublimit for costs resulting from claims

Endorsements: Terrorism Risk Insurance Act – Disclosure Statement..... ELL812G
 Additional Insured ELL5031
 Coordination of Coverage Endt (LPL/GLX/ELL)..... ELL639C
 Seamless Coverage Endorsement..... ELL698C
 Amended Renewal Provisions ELL781G
 ProResponse Endorsement..... ELL760S
 UE Change of Address ELL792N

Option #2: \$ 112,208.00 Policy Premium with \$ 20,000,000 Limit
 Option #3: \$ 114,985.00 Policy Premium with \$ 25,000,000 Limit
 Option #4: \$ 130,968.00 Policy Premium with \$40,000,000 Limit



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LICENSED PROFESSIONAL LIABILITY (LAW CLINICS)

UC Hastings College of the Law

INSURANCE COMPANY: *United Educators Reciprocal Risk Retention Group*
 A.M. BEST RATING: A IX
 STANDARD & POORS RATING: Not Rated
 CALIFORNIA STATUS: Admitted
 POLICY / COVERAGE TERM: July 1, 2016 – July 1, 2017

Limit of Liability: \$ 1,000,000 Each Claim
 \$ 2,000,000 Annual Aggregate

Deductible: \$ 10,000

Total Annual Premium: \$ 7,414.00 Policy Premium

Retroactive Date: September 16, 2013

Key Features of Coverage:

- Provides claims-made, worldwide coverage for Wrongful Acts arising from covered Professional Internship Programs or Professional Services (subject to a Retroactive Date and a Deductible)
- Duty to defend and settle with Defense Costs within the Limit of Liability
- Per Claim limits are \$1 million
- Covers acts that may be legally performed only by a person holding a professional license, whether the person is licensed or not (subject to the LPL's definitions, terms, conditions and exclusions), including:
 - Professional Internship Programs, which are the internship or experiential training activities for students seeking professional degrees, and
 - Professional Services, which are activities provided by the Educational Organization to the campus community or general public

Coordination of Coverage:

- UE now offers an enhancement allowing the LPL to coordinate with the ELL and GLX /GLU policies in order to provide higher levels of coverage. We have quoted and offered this coverage at an additional premium that is applied to the ELL policy. For further details please contact your underwriter

Endorsements: Scheduled Professional Programs and Services..... LPL502F
 Amended Deductible and Reporting Requirements..... LPL550R
 Amended Renewal Provisions..... LPL589G
 UE Change of Address.....LPL592N



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In addition to providing a certificate of insurance, you may be required to name your client or customer on your policy as an additional insured. This is only possible with permission of the insurance company, added by endorsement and, in some cases, an additional premium.

By naming the certificate holder as additional insured, there are consequences to your risks and insurance policy including:

- Your policy limits are now shared with other entities; their claims involvement may reduce or exhaust your aggregate limit.
- Your policy may provide higher limits than required by contract; your full limits can be exposed to the additional insured.
- There may be conflicts in defense when your insurer has to defend both you and the additional insured.



**UC HASTINGS COLLEGE OF THE LAW
PROFESSIONAL LIABILITY – INSURANCE PROPOSAL
EFFECTIVE JULY 1, 2016 – JULY 1, 2017**

NAMED INSURED: UC Hastings College of the Law

COMPANY: Allied World Assurance Company

AM BEST RATING: A (Excellent), XV (\$2 Billion or greater) as of February 11, 2016

S&P RATING: A (Strong) as of September 13, 2011

CALIFORNIA STATUS: Admitted

POLICY TERM: July 1, 2016 to July 1, 2017

COVERAGE:

- Professional Liability – Claims Made
- Sexual Misconduct Liability – Claims Made

COVERAGE FORM: DRWN MM1000 OCC (12/2008)

RETROACTIVE DATE: August 20, 2002

LIMITS: Professional Liability - \$1,000,000/\$3,000,000
Sexual Misconduct Liability - \$1,000,000/\$1,000,000

DEDUCTIBLE: Professional Liability - \$5,000
Sexual Misconduct Liability - \$5,000

PREMIUM: \$12,182.00

TERRORISM OPTION: No information

MINIMUM EARNED PREMIUM: 25%

FORMS & ENDORSEMENTS:

<u>Form</u>	<u>Form No.</u>
California - Suits Involving a Surplus Lines Broker - Remedies	IL 00017 04 (11/08)
Name Change Endorsement	IL 00038 00 (01/15)
Service Of Suit	SVC 00010 00 04/16)(DSI)
Delete Insuring Agreement(s) (I.B., I.C., I.E., II.A., II.B., II.C.)	v2429 (1/2009)
Minimum Earned Premium (25%)	v2432 (1/2009)
Schedule B - Specific Insureds; Shared Limits	v2456 (03/2009)
Rolling IBNR Coverage - Extended Reporting	v2626 (7/2010)
Period For Departing Physician(s)	
Add Territory Clause	v2831 (11/2013)

EXTENDED REPORTING OPTION: TBD at time of election



**UC HASTINGS COLLEGE OF THE LAW
PROFESSIONAL LIABILITY – INSURANCE PROPOSAL
EFFECTIVE JULY 1, 2016 – JULY 1, 2017**

QUOTE VALID UNTIL: July 1, 2016

BINDING CONDITIONS:

- Written request to bind coverage
- Surplus Lines Affidavit
- Date on submitted supplement

LOSS REPORTING: Incidents that will or might give rise to a claim should be immediately reported to:

Alliant Insurance Services – Claims Department
Mr. Robert Frey or Ms. Elaine Kim
Alliant Insurance Services
100 Pine Street, 11th Floor
San Francisco, CA 94111
Main Phone: 415.403.1400
Fax: 415.403.1466
rfrey@alliant.com / ekim@alliant.com

BROKER: **ALLIANT INSURANCE SERVICES, INC.**
100 Pine Street, 11th Floor
San Francisco, CA 94111

Daniel Howell
Senior Executive Vice President
Direct: 415.403.1426
dhowell@alliant.com

David Evans
Senior Vice President
Direct: 415.403.1484
devans@alliant.com

SERVICING CONTACT: Rachel Ramos, AIS, CISR
Account Manager - Lead
Direct: 415.403.1424
rramos@alliant.com



**UC HASTINGS COLLEGE OF THE LAW
PROFESSIONAL LIABILITY – INSURANCE PROPOSAL
EFFECTIVE JULY 1, 2016 – JULY 1, 2017**

Disclosures

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.alliant.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.

NY Regulation 194

Alliant Insurance Services, Inc. is an insurance producer licensed by the State of New York. Insurance producers are authorized by their license to confer with insurance purchasers about the benefits, terms and conditions of insurance contracts; to offer advice concerning the substantive benefits of particular insurance contracts; to sell insurance; and to obtain insurance for purchasers. The role of the producer in any particular transaction typically involves one or more of these activities.

Compensation will be paid to the producer, based on the insurance contract the producer sells. Depending on the insurer(s) and insurance contract(s) the purchaser selects, compensation will be paid by the insurer(s) selling the insurance contract or by another third party. Such compensation may vary depending on a number of factors, including the insurance contract(s) and the insurer(s) the purchaser selects. In some cases, other factors such as the volume of business a producer provides to an insurer or the profitability of insurance contracts a producer provides to an insurer also may affect compensation.

The insurance purchaser may obtain information about compensation expected to be received by the producer based in whole or in part on the sale of insurance to the purchaser, and (if applicable) compensation expected to be received based in whole or in part on any alternative quotes presented to the purchaser by the producer, by requesting such information from the producer.



**UC HASTINGS COLLEGE OF THE LAW
PROFESSIONAL LIABILITY – INSURANCE PROPOSAL
EFFECTIVE JULY 1, 2016 – JULY 1, 2017**

FATCA:

The Foreign Account Tax Compliance Act (FATCA) requires the notification of certain financial accounts to the United States Internal Revenue Service. Alliant does not provide tax advice so please contact your tax consultant for your obligation regarding FATCA.

Claims Reporting:

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

Claims Made Policy:

This claims-made policy contains a requirement stating that this policy applies only to any claim first made against the Insured and reported to the insurer during the policy period or applicable extended reporting period. Claims must be submitted to the insurer during the policy period, or applicable extended reporting period, as required pursuant to the Claims/Loss Notification Clause within the policy in order for coverage to apply. Late reporting or failure to report pursuant to the policy's requirements could result in a disclaimer of coverage by the insurer.

Changes and Developments

It is important that we be advised of any changes in your operations, which may have a bearing on the validity and/or adequacy of your insurance. The types of changes that concern us include, but are not limited to, those listed below:

- Changes in any operations such as expansion to another states, new products, or new applications of existing products.
- Travel to any state not previously disclosed.
- Mergers and/or acquisition of new companies and any change in business ownership, including percentages.
- Any newly assumed contractual liability, granting of indemnities or hold harmless agreements.
- Any changes in existing premises including vacancy, whether temporary or permanent, alterations, demolition, etc. Also, any new premises either purchased, constructed or occupied
- Circumstances which may require an increased liability insurance limit.
- Any changes in fire or theft protection such as the installation of or disconnection of sprinkler systems, burglar alarms, etc. This includes any alterations to the system.
- Immediate notification of any changes to a scheduled of equipment, property, vehicles, electronic data processing, etc.
- Property of yours that is in transit, unless previously discussed and/or currently insured.

Certificates / Evidence of Insurance

A certificate is issued as a matter of information only and confers no rights upon the certificate holder. The certificate does not affirmatively or negatively amend, extend or alter the coverage afforded by a policy. Nor does it constitute a contract between the issuing insurer(s), authorized representative, producer or certificate holder.

You may have signed contracts, leases or other agreements requiring you to provide this evidence. In those agreements, you may assume obligations and/or liability for others (Indemnification, Hold Harmless) and some of the obligations that are not covered by insurance. We recommend that you and your legal counsel review these documents.

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**UC HASTINGS COLLEGE OF THE LAW
EXCESS LIABILITY – INSURANCE PROPOSAL
EFFECTIVE JULY 1, 2016 – JULY 1, 2017**

NAMED INSURED: UC Hastings College of the Law

COMPANY: Allied World Assurance Company

AM BEST RATING: A (Excellent), XV (\$2 Billion or greater) as of February 11, 2016

S&P RATING: A (Strong) as of September 13, 2011

CALIFORNIA STATUS: Admitted

POLICY TERM: July 1, 2016 to July 1, 2017

COVERAGE: Excess Liability

FORM: DRWN E2000 (6/2004)

RETROACTIVE DATE: July 1, 2008

LIMITS: \$4,000,000 Excess \$1,000,000

PREMIUM: \$20,000.00

TERRORISM OPTION: No information

MINIMUM EARNED PREMIUM: 25%

FORMS & ENDORSEMENTS:

<u>Form</u>	<u>Form No.</u>
California - Suits Involving a Surplus Lines Broker - Remedies	IL 00017 04 (11/08)
DSIC Name Change Endorsement	IL 00038 00 (01/15)
Service Of Suit	SVC 00010 00 (10/2012)
Minimum Earned Premium (25%)	v1103 (8/2010)
Health Care Reporting Requirements (as expiring)	v1180 (4/2004)
Retroactive Date (07/01/2008)	v1359 (2/2005)

QUOTE VALID UNTIL: July 1, 2016

BINDING CONDITIONS:

- Written request to bind coverage
- Surplus Lines Affidavit

LOSS REPORTING: Incidents that will or might give rise to a claim should be immediately reported to:

Alliant Insurance Services – Claims Department
Mr. Robert Frey or Ms. Elaine Kim
Alliant Insurance Services



**UC HASTINGS COLLEGE OF THE LAW
EXCESS LIABILITY – INSURANCE PROPOSAL
EFFECTIVE JULY 1, 2016 – JULY 1, 2017**

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Fax: 415.403.1466
rfrey@alliant.com / ekim@alliant.com

BROKER:

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SERVICING CONTACT:

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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.alliant.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.

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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.

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EXCESS LIABILITY – INSURANCE PROPOSAL
EFFECTIVE JULY 1, 2016 – JULY 1, 2017**

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MANAGEMENT MEMO

SUBJECT:	NUMBER: 16-01
STATE MOTOR VEHICLE INSURANCE ACCOUNT 2016-17 FISCAL YEAR PREMIUM ASSESSMENT	DATE ISSUED: MARCH 7, 2016
REFERENCES: Government Code Sections 11290 (a), 16378, 16379 Supersedes Management Memo 14-04	EXPIRES: JUNE 30, 2017
	ISSUING AGENCY: Department of General Services

Introduction The Department of General Services (DGS) administers the State Motor Vehicle Insurance Account (SMVIA). This management memo provides state agencies information on their State Motor Vehicle Insurance Account (SMVIA) premium assessment for the 2016-2017 fiscal year. The SMVIA funds are utilized to pay claims for damages as a result of the ownership or operation of motor vehicles used in the course and scope of state employment.

**SMVIA
Program
Coverage**

The SMVIA provides:

- Unlimited self-insured liability coverage for the state agencies and employees who operate vehicles on state business.
- Excess liability coverage for state employees on state business while driving non-state vehicles, but only after the vehicle owner's liability policy limits have been paid.

**Coverage
Limitation
Exception**

Effective January 1, 2004, when a non-salaried driver (which includes, but is not limited to, students and contractors) is involved in a motor vehicle accident while on state business, the program's coverage will be limited to \$1 million per accident, regardless of ownership of the vehicle. The driver's employing department/agency will be financially responsible for the payment of any claims, settlements, judgments or verdicts in excess of \$1 million.

Reference: State Administrative Manual (SAM) Section 2420.

**State
Motor
Vehicle
Insurance
Account**

The SMVIA is funded through assessments charged to state agencies that own vehicles/equipment. The assessment reflects the projected amount to be expended to pay claim settlements and administrative expenses such as adjusting and defense costs.

Assessment Calculation

Each state agency's premium assessment is based on claim experience for the last five calendar years ending December 31, 2015.

State agencies that own more than 300 vehicles are rated on their own claims experience; state agencies with fewer than 300 vehicles are generally grouped together and experience-rated as though they were one entity.

Attachment 1 reflects the 2016-2017 fiscal year motor vehicle self-insurance assessments for 24 separately rated departments and the *All Other Departments* group.

The premium assessment for the *All Other Departments* category will be distributed to departments in this group on a *per vehicle* basis using the reported vehicle inventory as of December 31, 2015, from the DGS Office of Fleet and Asset Management. The average rate for this group is calculated at \$553 per vehicle.

Loss Impact

The premium increase in 2016-2017 is a result of an increase in the number of claims and increase in legal expenses paid through the SMVIA program. The SMVIA projects a total disbursement amount of claim payments and administrative costs totaling \$21,308,663 for the 2016/2017 fiscal year.

Minimizing/Reducing Vehicle Losses

State agencies can help minimize and/or reduce these losses by following state policies and recommended practices on vehicle use and operator requirements:

- Employees who operate vehicles on official business must have a valid driver's license and a good driving record.
 - Agencies shall participate in the Department of Motor Vehicles (DMV) "Pull Notice Program" if they have employees who operate vehicles on official business as a condition of employment for Class A, B, or Class C drivers' licenses with special certificates.
 - Authorized drivers should be permanent state employees.
 - Drivers under the age of 18 may not operate state vehicles under any circumstances.
-

**Minimizing/
Reducing
Vehicle
Losses
(Cont.)**

- Employees who operate vehicles on official business shall attend and successfully complete an approved defensive driver training course at least once every four years. Online training available at: <http://www.dgs.ca.gov/orim/Programs/DDTOnlineTraining.aspx>
- Employees operating their private vehicle on official business must complete a STD. 261, *Authorization to Use Privately Owned Vehicles on State Business*. This form certifies liability insurance for the minimum financial responsibility limits as set forth in statute. Additionally, the employee certifies the vehicle is adequate for the work, equipped with operating safety belts and is in safe mechanical condition.
- Report all vehicle accidents within 48 hours to the Office of Risk & Insurance Management (ORIM) using the STD. 270, Vehicle Accident Report form. The form is available online at www.orim.dgs.ca.gov.

Contact

Questions concerning the vehicle self-insurance assessments can be directed to:

Christopher Verdin, Staff Risk Manager
Office of Risk & Insurance Management
Telephone: (916) 376-5425
Email: christopher.verdin@dgs.ca.gov

For more information please visit our website at:
<http://www.dgs.ca.gov/orim/Programs/ClaimsServices.aspx>

Signature



Daniel C. Kim, Director
Department of General Services

03/07/2016

Date

Attachment

**ATTACHMENT 1
2016/2017 MOTOR VEHICLE PREMIUM ASSESSMENT**

Department	2016/2017 Premiums	2015/2016 Premiums
Air Resources	\$3,604,798	\$1,594,210
Cal Fire	\$382,493	\$291,024
Conservation Corps	\$135,786	\$98,856
Consumer Affairs	\$368,977	\$313,768
Corrections	\$360,997	\$775,894
DDS	\$23,445	\$21,758
District Ag Associations*	\$48,936	\$51,704
EDD	\$483,722	\$45,648
Emergency Services	\$68,688	\$52,406
Fish & Wildlife	\$268,918	\$254,680
Food & Agriculture	\$431,164	\$190,512
General Services	\$2,926,599	\$2,413,568
Highway Patrol	\$6,073,504	\$6,801,060
Insurance	\$96,832	\$63,003
Judicial Council	\$45,991	\$61,872
Justice	\$147,106	\$614,658
Lottery	\$83,712	\$150,426
Motor Vehicles	\$293,517	\$163,117
Parks & Rec	\$1,494,698	\$1,387,802
Prison Industry Auth.	\$123,933	\$38,531
State Hospitals	\$19,447	\$12,181
State University	\$829,510	\$845,823
Transportation	\$9,064,337	\$9,164,099
Water Resources	\$186,290	\$173,263
All Others**	\$765,993	***\$2,311,983
Total Premium	\$28,329,393	****\$27,891,845

*District Agricultural Association group includes California Exposition.

**Per vehicle charge is \$553.

***Includes Board of Equalization premium.

****Total includes expected claims paid, administrative expenses (including legal defense), and funds to build a prudent reserve.

The background of the top half of the page is a photograph of a modern glass-walled building. The glass reflects the sky and surrounding structures. A person is visible walking on a balcony or walkway inside the building. The text "University of California Hastings College of Law" is overlaid on the image in a white, sans-serif font.

University of California Hastings College of Law

2016 – 2017

Alliant Property Insurance Programs (APIP)

Daniel Howell
Sr Executive Vice President

Rachel Ramos
Account Manager, Lead

David Evans
Senior Vice President

**ALLIANT PROPERTY INSURANCE PROGRAM (APIP)
July 1, 2016 – July 1, 2017
EXECUTIVE SUMMARY**

We are pleased to provide the 2016-2017 Alliant Property Insurance Program (APIP) renewal material, attached.

The property market has been in a soft cycle for the last few years with underwriters willing to provide decreases based on the lack of catastrophe losses worldwide and record capacity available in the marketplace. While physical and human catastrophes abound, in recent years most of these have occurred in regions of the world that are not significantly insured. Therefore, for the 2016-2017 renewal, most insureds will see rate decreases over expiring rates. However, for those insureds that have either experienced significant losses or consistent attritional losses, rates may increase. In keeping with the programs' general history, we expect rates to remain below what can be achieved in the market for similar coverage.

The primary \$2,500,000 layer will continue to be placed with our long-term partner, Lexington Insurance Company, A.M. Best Rated A XV. Lexington will also continue to provide the majority of capacity in the \$22,500,000 x/s \$2,500,000 layer, sharing that with Lloyd's of London, A.M. Best Rated A XV. Excess limits up to \$1,000,000,000 will be placed with London, Bermudian, European, and U.S domestic markets, all A.M. Best Rated at least of A- VII. Members should note several key highlights for this year's renewal:

- Boiler & Machinery cover for participating members of the APIP Boiler Program will be maintained with Hartford Steam Boiler (HSB), who will also continue to perform jurisdictionals and inspections
- Cyber (Privacy Liability) Coverage for both 1st and 3rd parties from the Beazley Syndicate at Lloyd's, A.M. Best Rated A XV, (for those eligible insureds) with coverage as outlined on the following proposal will be maintained.
- Pollution Coverage for both 1st and 3rd parties from Illinois Union Insurance Company, A.M. Best Rated A++ XV, (for those eligible insureds) with coverage as outlined on the following proposal will be maintained.

Alliant Business Services (ABS) will continue to play a significant role not only in providing various types of loss control services, but also in providing appraisal services. For the 2016-2017 policy year, property valuations will continue to be a key focus. As a reminder, it is underwriters' intent to have all buildings with a scheduled value of \$5,000,000 or more appraised once every five years. This service is included in the total annual cost. Insureds may also choose to have lower valued buildings appraised. The cost to have all or specific buildings appraised between \$25,000 and \$5,000,000 will be quoted at the time the request is made.

Our Disclosures and Loss Notification information are now combined into one section of the renewal materials. Your review and acknowledgement of these documents are required with your signature once you authorize a request to bind coverage with your Alliant representative.

The following table depicts key statistics relative to last year:

Year-over-Year Rate and Premium Comparison

<u>University of California Hastings College of Law</u>	<u>2015-2016</u>	<u>2016-2017</u>	<u>Variance</u>
Total Insured Values:	\$ 247,750,903	\$ 249,485,488	0.70%
Account Rate (per hundred dollars):	0.0721599	0.0786987	9.06%
*Total Annual Cost:	\$ 178,776.79	\$ 196,341.76	9.82%

* TOTAL COST includes: all premiums (except Cyber Enhancement option, if purchased), underwriting fees, commissions, loss control expenses, program administration charges, and applicable taxes

Thank you for your continued support of APIP. We look forward to working with you this next year. Please let us know if you have any questions about your renewal.

Below are coverage items currently being negotiated with the APIP markets to be effective on 7/1/2016.

Coverage	2015-2016	Proposed 2016-2017 Changes	Status
Automatic Acquisition Sub-limit	\$25,000,000 Automatic Acquisition up to \$100,000,000 or a Named Insured's Policy Limit of Liability if less than \$100,000,000 for 90 days excluding licensed vehicles for which a sub-limit of \$10,000,000 applies per policy Automatic Acquisition and Reporting Condition. Additionally a sub-limit of \$2,500,000 applies for Tier 1 Wind Counties, Parishes and Independent Cities for 60 days for the states of Virginia, North Carolina, South Carolina, Georgia, Alabama, Mississippi, Louisiana, Texas and/or situated anywhere within the states of Florida and Hawaii. The peril of EQ is excluded for the states of Alaska and California. If Flood coverage is purchased for all scheduled locations, this extension will extend to include Flood coverage for any location not situated in Flood Zones A or V.	\$25,000,000 Automatic Acquisition up to \$100,000,000 or a Named Insured's Policy Limit of Liability if less than \$100,000,000 for 120 days excluding licensed vehicles for which a sub-limit of \$10,000,000 applies per policy Automatic Acquisition and Reporting Condition. Additionally a sub-limit of \$2,500,000 applies for Tier 1 Wind Counties, Parishes and Independent Cities for 60 days for the states of Virginia, North Carolina, South Carolina, Georgia, Alabama, Mississippi, Louisiana, Texas and/or situated anywhere within the states of Florida and Hawaii. The peril of EQ is excluded for the states of Alaska and California. If Flood coverage is purchased for all scheduled locations, this extension will extend to include Flood coverage for any location not situated in Flood Zones A or V.	Enhancement Pending Marketing Approval
Increase Cost of Construction Sub-limit	\$25,000,000	\$50,000,000	Enhancement Pending Marketing Approval
Earthquake Deductible description	Earthquake Shock: If the stated deductible is a flat dollar amount, the deductible will apply on a Per Occurrence basis, unless otherwise stated. If the stated deductible is on a percentage basis, the deductible will apply Per Occurrence on a Per Unit basis, as defined in the policy form, subject to the stated minimum.	Earthquake Shock: If the stated deductible is a flat dollar amount, the deductible will apply on a Per Occurrence basis, unless otherwise stated. If the stated deductible is on a percentage basis, the deductible will apply Per Occurrence on a Per Unit basis, as defined in the policy form; subject to the <u>stated</u> minimum <u>deductible per occurrence</u> .	Clarification Pending Market Approval
Cyber Claims Reporting by:	Telephone: (646) 943-5900 Email: tmbclaims@beazley.com	Telephone number is active, but the preferred method to report a claim is via Email: tmbclaims@beazley.com	Update

Coverage	2015-2016	Proposed 2016-2017 Changes	Status
<p>JPA/Pool per Occurrence Deductible:</p>	<p>Per Occurrence for each and every loss before exhaustion of the Annual Aggregate Pool Deductible amount unless a more specific deductible is applicable to a loss as noted in the Deductibles for Specific Perils and Coverages or Special Terms section below.</p>	<p>Incorporated wording from Master Policy Form into description:</p> <p><u>JPA/Pool Basic Deductible – when applicable will be in excess of a JPA or Pool member's deductible amount unless a more specific deductible is applicable to a loss as noted in the Deductibles for Specific Perils and Coverages or Special Terms section below. The Named Insured(s) deductible amount will be agreed upon between the JPA or Pool and its members. The “JPA/Pool Basic Deductible” shown here, shall apply per occurrence. The company will not pay for loss or damage in any one occurrence until the amount of the loss or damage exceeds the applicable constituent members’ deductible and the “JPA/Pool Basic Deductible”, until the “JPA/Pool Annual Aggregate Amount” is exhausted.</u></p>	<p>Enhancement Pending Marketing Approval</p>
<p>JPA/Pool Annual Aggregate Deductible:</p>	<p>Annual Aggregate Pool Deductible</p>	<p>Incorporated wording from Master Policy Form into description:</p> <p>The “JPA/Pool Annual Aggregate Amount” - when applicable is the accumulation of payments made by the JPA or Pool that are categorized as “JPA/Pool Basic Deductibles” above. Once the annual aggregate amount is reached, all subsequent losses in chronological order are subject to the “JPA/Pool Maintenance Deductible” indicated below.</p>	<p>Enhancement Pending Marketing Approval</p>
<p>JPA/Pool Maintenance Deductible</p>	<p>Pool Maintenance Deductible applicable to each occurrence after the Annual Aggregate Deductible is reached. The specific deductibles for Flood, Earthquake and Wind will always apply to losses caused by those perils regardless if it is greater or less than the Pool Maintenance Deductible. The maintenance deductible does not apply to those items listed in the Deductibles for Specific Perils and Coverages or Special Terms & Conditions section below if those perils do not erode the annual aggregate deductible.</p>	<p>Pool Maintenance Deductible applicable to each occurrence after the Annual Aggregate Deductible is reached. <u>As with the “JPA/Pool Basic Deductible” this maintenance deductible will be applicable in excess of the applicable JPA or Pool constituent member’s deductible.</u> The specific deductibles for Flood, Earthquake and Wind will always apply to losses caused by those perils regardless if it is greater or less than the Pool Maintenance Deductible. The maintenance deductible does not apply to those items listed in the Deductibles for Specific Perils and Coverages or Special Terms & Conditions section below if those perils do not erode the annual aggregate deductible.</p>	<p>Enhancement Pending Marketing Approval</p>
<p>Pollution Liability Coverage</p>	<p>Not Applicable</p>	<p>Addition of Lead Contaminated Water Exclusion:</p> <p>“Loss” arising out of or related to “pollution conditions” involving, in whole or in part, lead within potable water, regardless of whether any such “pollution conditions” have otherwise been affirmatively disclosed to the Insurer in an Application for coverage pursuant to this Policy.</p>	<p>Update</p>

Coverage	2015-2016	Proposed 2016-2017 Changes	Status
Excess Terrorism	<p><u>\$400,000,000</u> Per Member/Entity for Terrorism (Excess Layer) subject to:</p> <p><u>\$900,000,000</u> Per Occurrence, All Named Insureds combined in Declarations 1-9, 11-14, 18-22, 25-30 and 32-34 for Terrorism (Excess Layer) subject to;</p> <p><u>\$1,050,000,000</u> Annual Aggregate shared by all Named Insureds combined in Declarations 1-9, 11-14, 18-22, 25-30 and 32-34, as respects Property Damage, Business Interruption, Rental Income and Extra Expense combined for Terrorism (Excess Layer)</p>	<p><u>\$600,000,000</u> Per Member/Entity for Terrorism (Excess Layer) subject to:</p> <p><u>\$1,100,000,000</u> Per Occurrence, All Named Insureds combined in Declarations 1-9, 11-14, 18-22, 25-30 and 32-34 for Terrorism (Excess Layer) subject to;</p> <p><u>\$1,500,000,000</u> Annual Aggregate shared by all Named Insureds combined in Declarations 1-9, 11-14, 18-22, 25-30 and 32-34, as respects Property Damage, Business Interruption, Rental Income and Extra Expense combined for Terrorism (Excess Layer)</p>	Approved

Master Policy Form Wording

Policy Term	July 1, 2015 to July 1, 2016	July 1, 2016 to July 1, 2017	Renewal item
Section I, G. 6.	Library Book table	Updated library book values per U.S. inflation calculator	Update
Section II, B., 1. Ingress / Egress	This Policy is extended to insure the actual loss sustained during the period of time not exceeding 30 days when, as a direct result of physical loss or damage caused by a covered peril(s) specified by this Policy and occurring at property located within a <u>10 mile radius</u> of covered property, ingress to or egress from the covered property covered by this Policy is prevented. Coverage under this extension is subject to a 24-hour waiting period.	This Policy is extended to insure the actual loss sustained during the period of time not exceeding 30 days when, as a direct result of physical loss or damage caused by a covered peril(s) specified by this Policy and occurring at property located within a <u>20 mile radius</u> of covered property, ingress to or egress from the covered property covered by this Policy is prevented. Coverage under this extension is subject to a 24-hour waiting period.	Enhancement Pending Marketing Approval
Section II, B. 2. Interruption by Civil Authority	This Policy is extended to include the actual loss sustained by the Named Insured, as covered hereunder during the length of time, not exceeding 30 days, when as a direct result of damage to or destruction of property by a covered peril(s) occurring at property located within a <u>10 mile radius</u> of covered property, access to the covered property is specifically prohibited by order of a civil authority. Coverage under this extension is subject to a 24-hour waiting period.	This Policy is extended to include the actual loss sustained by the Named Insured, as covered hereunder during the length of time, not exceeding 30 days, when as a direct result of damage to or destruction of property by a covered peril(s) occurring at property located within a <u>20 mile radius</u> of covered property, access to the covered property is specifically prohibited by order of a civil authority. Coverage under this extension is subject to a 24-hour waiting period.	Enhancement Pending Marketing Approval
Section II, Item D. 7. Vehicle Replacement Valuation	Second paragraph: If the values, provided by the Named Insured, provides a valuation based on <u>replacement cost</u> , then recovery will be on the same basis, if replaced. If not replaced, the basis of recovery shall be <u>actual cash value</u> .	Second paragraph change only: If the values, provided by the Named Insured, provides a valuation based on <u>Replacement Cost (New)</u> , then recovery will be on the same basis, if replaced. If not replaced, the basis of recovery shall be <u>Actual Cash Value</u> .	Clarification Pending Market Approval

Coverage	2015-2016	Proposed 2016-2017 Changes	Status
Section III, Item B. 4. Contingent Time Element Coverage	Business interruption, rental income, tuition income and extra expense coverage provided by this Policy is extended to cover loss directly resulting from physical damage to property of the type not otherwise excluded by this Policy at direct supplier or direct customer locations (<u>whether such location is owned by the Named Insured or not</u>) that prevents a supplier of goods and/or services to the Named Insured from supplying such goods and/or services, or that prevents a recipient of goods and/or services from the Named Insured from accepting such goods and/or services. The coverage provided by this clause separately as respects each of these coverage's is sub-limited to USD as per Declaration Page.	Deleted wording in parenthesis Business interruption, rental income, tuition income and extra expense coverage provided by this Policy is extended to cover loss directly resulting from physical damage to property of the type not otherwise excluded by this Policy at direct supplier or direct customer locations (whether such location is owned by the Named Insured or not) that prevents a supplier of goods and/or services to the Named Insured from supplying such goods and/or services, or that prevents a recipient of goods and/or services from the Named Insured from accepting such goods and/or services. The coverage provided by this clause separately as respects each of these coverage's is sub-limited to USD as per Declaration Page.	Clarification Pending Market Approval
Section IV, Exclusions 1.	Loss or damage caused by or resulting from moths, vermin, termites, or other insects, inherent vice, latent defect, faulty materials, error in design, faulty workmanship, wear, tear or gradual deterioration, <u>contamination</u> , rust, corrosion, wet or dry rot, unless physical loss or damage not otherwise excluded herein ensues and then only for such ensuing loss or damage.	Deleted "contamination" Loss or damage caused by or resulting from moths, vermin, termites, or other insects, inherent vice, latent defect, faulty materials, error in design, faulty workmanship, wear, tear or gradual deterioration, contamination , rust, corrosion, wet or dry rot, unless physical loss or damage not otherwise excluded herein ensues and then only for such ensuing loss or damage.	Clarification Pending Market Approval
Section IV, Exclusions 18.	Loss, damage, costs or expenses in connection with any kind or description of seepage and/or pollution and/or contamination, direct or indirect, arising from any cause whatsoever.	Loss, damage, costs or expenses in connection with any kind or description of seepage and/or pollution and/or contamination, direct or indirect, arising from any cause whatsoever. <u>Except as provided in Section II Property Damage, B. Extension of Coverage, 21. Accidental Contamination.</u>	Clarification Pending Market Approval
Section I, E., 2. Sub-limits g.	Unscheduled Landscaping, tees, sand traps, greens and athletic fields if specific values for such items have not been reported as part of the Named Insured(s) schedule of values held on file with Alliant Insurance Services, Inc.;	Unscheduled Landscaping, tees, sand traps, greens, athletic fields, <u>and artificial turf</u> if specific values for such items have not been reported as part of the Named Insured(s) schedule of values held on file with Alliant Insurance Services, Inc.;	Clarification Pending Market Approval
Section I, E., 2. Sub-limits h.	Scheduled Landscaping, tees, sand traps, greens, and athletic fields if specific values for such items have been reported as part of the Named Insured(s) schedule of values held on file with Alliant Insurance Services, Inc.;	Scheduled Landscaping, tees, sand traps, greens, athletic fields, <u>and artificial turf</u> if specific values for such items have been reported as part of the Named Insured(s) schedule of values held on file with Alliant Insurance Services, Inc.;	Clarification Pending Market Approval

Coverage	2015-2016	Proposed 2016-2017 Changes	<u>Status</u>
Section II, C. 3. Land	Land (including land on which covered property is located), and land values (except athletic fields, landscaping, sand traps, tees and greens).	Land (including land on which covered property is located), and land values (except athletic fields, landscaping, artificial turf , sand traps, tees and greens).	Clarification Pending Market Approval
Section II, D. 9. Landscaping	Landscaping, sand traps, tees, putting greens and athletic fields; the actual replacement cost of sod, shrubs, sand, plants and trees; however the Company's liability for replacement of trees, plants and shrubs will be limited to the actual size of the destroyed plant, tree or shrub at the time of the loss up to a maximum size of 25 gallons per item but not to exceed USD25,000 per item.	Landscaping, artificial turf , sand traps, tees, putting greens and athletic fields; the actual replacement cost of sod, shrubs, sand, plants and trees; however the Company's liability for replacement of trees, plants and shrubs will be limited to the actual size of the destroyed plant, tree or shrub at the time of the loss up to a maximum size of 25 gallons per item but not to exceed USD25,000 per item.	Clarification Pending Market Approval

**ALLIANT INSURANCE SERVICES, INC.
ALLIANT PROPERTY INSURANCE PROGRAM (APIP)**

PROPERTY PROPOSAL

TYPE OF INSURANCE: Insurance Reinsurance

NAMED INSURED: University of California Hastings College of Law

DECLARATION: 26-Education

POLICY PERIOD: July 1, 2016 to July 1, 2017

COMPANIES: See Attached List of Companies

**TOTAL INSURED
VALUES:** \$ 249,485,488 as of May 26, 2016

**ALL RISK
COVERAGES &
LIMITS:**

- \$ 1,000,000,000 Per Occurrence: all Perils, Coverages (subject to policy exclusions) and all Named Insureds (as defined in the policy) combined, per Declaration, regardless of the number of Named Insureds, coverages, extensions of coverage, or perils insured, subject to the following per occurrence and/or aggregate sub-limits as noted below.
 - Not Covered Flood Limit - Per Occurrence and in the Annual Aggregate (for those Named Insured(s) that purchase this optional dedicated coverage)
 - Not Covered Per Occurrence and in the Annual Aggregate for all locations in Flood Zones A & V (inclusive of all 100 year exposures). This Sub-limit does not increase the specific flood limit of liability for those Named Insured(s) that purchase this optional dedicated coverage.
 - Not Covered Earthquake Shock - Per Occurrence and in the Annual Aggregate (for those Named Insured(s) that purchase this optional dedicated coverage)
- \$ 100,000,000 Combined Business Interruption, Rental Income and Tax Revenue Interruption and Tuition Income (and related fees). However, if specific values for such coverage have not been reported as part of the Named Insured's schedule of values held on file with Alliant Insurance Services, Inc., this sub-limit amount is limited to \$500,000 per Named Insured subject to maximum of \$2,500,000 Per Occurrence for Business Interruption, Rental Income and Tuition Income combined, and \$5,000,000 per occurrence for Tax Revenue Interruption. Coverage for power generating plants is excluded, unless otherwise specified.
- \$ 50,000,000 Extra Expense

**ALL RISK
COVERAGES &
LIMITS: (continued)**

\$	25,000,000	Miscellaneous Unnamed Locations for existing Named Insured's Excluding Earthquake coverage for Alaska and California Named Insureds. If Flood coverage is purchased for all scheduled locations, this extension will extend to include Flood coverage for any location not situated in Flood Zones A or V.
	180 Days	Extended Period of Indemnity
	See Policy Provisions	\$25,000,000 Automatic Acquisition up to \$100,000,000 or a Named Insured's Policy Limit of Liability if less than \$100,000,000 for 90 days excluding licensed vehicles for which a sub-limit of \$10,000,000 applies per policy Automatic Acquisition and Reporting Condition. Additionally a sub-limit of \$2,500,000 applies for Tier 1 Wind Counties, Parishes and Independent Cities for 60 days for the states of Virginia, North Carolina, South Carolina, Georgia, Alabama, Mississippi, Louisiana, Texas and/or situated anywhere within the states of Florida and Hawaii. The peril of EQ is excluded for the states of Alaska and California. If Flood coverage is purchased for all scheduled locations, this extension will extend to include Flood coverage for any location not situated in Flood Zones A or V.
\$	1,000,000	Unscheduled Landscaping, tees, sand traps, greens and athletic fields and further subject to \$25,000 / 25 gallon maximum per item
\$	5,000,000	or 110% of the scheduled values, whichever is greater, for Scheduled Landscaping, tees, sand traps, greens and athletic fields and further subject to \$25,000 / 25 gallon maximum per item.
\$	50,000,000	Errors & Omissions - This extension does not increase any more specific limit stated elsewhere in this policy or Declarations.
\$	25,000,000	Course of Construction and Additions (including new) for projects with completed values not exceeding the sub-limit shown. Projects valued between \$25,000,001 and \$50,000,000 can be added for an additional premium with underwriting approval
\$	2,500,000	Money & Securities for named perils only as referenced within the policy
\$	2,500,000	Unscheduled Fine Arts
\$	250,000	Accidental Contamination per occurrence and annual aggregate per Named Insured with \$500,000 annual aggregate for all Named Insureds per Declaration

**ALL RISK
COVERAGES &
LIMITS: (continued)**

\$	2,000,000	Unscheduled Tunnels, Bridges, Dams, Catwalks (except those not for public use), Roadways, Highways, Streets, Sidewalks, Culverts, Street Lights and Traffic Signals unless a specific value has been declared (excluding coverage for the peril of Earthquake Shock, and excluding Federal Emergency Management Agency (FEMA) and/or Office of Emergency Services (OES) declared disasters, providing said declaration provides funding for repairs)
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\$	25,000,000	Increased Cost of Construction due to the enforcement of building codes/ ordinance or law (includes All Risk and Boiler & Machinery)
\$	25,000,000	Transit
\$	2,500,000	Unscheduled Animals; not to exceed \$50,000 per Animal, per Occurrence
\$	2,500,000	Unscheduled Watercraft up to 27 feet
	Not Covered	Per Occurrence for Off Premises Vehicle Physical Damage
\$	25,000,000	Off Premises Services Interruption including Extra Expense resulting from a covered peril at non-owned/operated locations
\$	5,000,000	Per Occurrence Per Named Insured subject to an Annual Aggregate of \$10,000,000 for Earthquake Shock on Licensed Vehicles, Unlicensed Vehicles, Contractor's Equipment and Fine Arts combined for all Named Insured(s) in this Declaration combined that do not purchase optional dedicated Earthquake Shock coverage, and/or where specific values for such items are not covered for optional dedicated Earthquake Shock coverage as part of the Named Insured's schedule of values held on file with Alliant Insurance Services, Inc.
\$	5,000,000	Per Occurrence Per Named Insured subject to an Annual Aggregate of \$10,000,000 for Flood on Licensed Vehicles, Unlicensed Vehicles, Contractor's Equipment and Fine Arts combined for all Named Insured(s) in this Declaration combined that do not purchase optional dedicated Flood coverage, and/or where specific values for such items are not covered for optional dedicated Flood coverage as part of the Named Insured's schedule of values held on file with Alliant Insurance Services, Inc.
\$	3,000,000	Contingent Business Interruption, Contingent Extra Expense, Contingent Rental Values and Contingent Tuition Income separately
\$	500,000	Jewelry, Furs, Precious Metals and Precious Stones Separately
\$	1,000,000	Claims Preparation Expenses
\$	50,000,000	Expediting Expenses
\$	1,000,000	Personal Property Outside of the USA
\$	100,000,000	Per Named Insured Per Occurrence subject to \$200,000,000 Annual Aggregate of Declarations 1-14, 18-22, 25-30 and 32-34 combined as respects Property Damage, Business Interruption, Rental Income and Extra Expense Combined for Terrorism (Primary Layer)

**ALL RISK
COVERAGES &
LIMITS: (continued)**

\$	400,000,000	Per Named Insured for Terrorism (Excess Layer) subject to;
\$	900,000,000	Per Occurrence, All Named Insureds combined in Declarations 1-9, 11-14, 18-22, 25-30 and 32-34 for Terrorism (Excess Layer) subject to;
\$	1,050,000,000	Annual Aggregate shared by all Named Insureds combined in Declarations 1-9, 11-14, 18-22, 25-30 and 32-34, as respects Property Damage, Business Interruption, Rental Income and Extra Expense combined for Terrorism (Excess Layer)
	Not Covered	Per Occurrence Per Declaration Upgrade to Green Coverage subject to the lesser of, the cost of upgrade, an additional 25% of the applicable limit of liability shown in the schedule of values or this sub limit.
	Included	Information Security & Privacy Insurance with Electronic Media Liability Coverage. See Cyber Coverage Document for details of coverage terms, limits and deductibles
	Included	See Alliant Property Insurance Program (APIP) Pollution Liability Insurance Summary for applicable limits and deductibles

VALUATION:

- Repair or Replacement Cost
- Actual Loss Sustained for Time Element Coverages
- Contractor's Equipment / either Replacement Cost or Actual Cash Value (ACV) as declared by each member. If not declared, valuation will default to Actual Cash Value (ACV)

**EXCLUSIONS
(Including but not limited to):**

- Seepage & Contamination
- Cost of Clean-up for Pollution
- Mold

Deductibles: If two or more deductible amounts provided in the Declaration Page apply for a single occurrence the total to be deducted shall not exceed the largest per occurrence deductible amount applicable. (The Deductible amounts set forth below apply Per Occurrence unless indicated otherwise).

**"ALL RISK"
DEDUCTIBLE:**

\$	25,000	Except \$5,000 for Fine Art and \$2,500 for Electronic Data Processing Per Occurrence, which to apply in the event a more specific deductible is not applicable to a loss
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**DEDUCTIBLES FOR
SPECIFIC PERILS
AND COVERAGES:**

Not Covered All Flood Zones Per Occurrence excluding Flood Zones A & V

**DEDUCTIBLES FOR
SPECIFIC PERILS
AND COVERAGES:
(continued)**

Not Covered Per Occurrence for Flood Zones A & V (inclusive of all 100 year exposures)

Not Covered		Earthquake Shock: If the stated deductible is a flat dollar amount, the deductible will apply on a Per Occurrence basis, unless otherwise stated. If the stated deductible is on a percentage basis, the deductible will apply Per Occurrence on a Per Unit basis, as defined in the policy form, subject to the stated minimum.
	\$ 1,000	Per Occurrence for Specially Trained Animals
	\$ 500,000	Per Occurrence for Unscheduled Tunnels, Bridges, Dams, Catwalks (except those not for public use), Roadways, Highways, Streets, Sidewalks, Culverts, Street Lights and Traffic Signals unless a specific value has been declared (excluding coverage for the peril of Earthquake Shock, and excluding Federal Emergency Management Agency (FEMA) and/or Office of Emergency Services (OES) declared disasters)
	\$ 10,000	Per Vehicle or Item for Licensed Vehicles, Unlicensed Vehicles and Contractor's Equipment subject to \$100,000 Maximum Per Occurrence, Per Named Insured for the peril of Earthquake for Named Insured(s) who do not purchase dedicated Earthquake limits
	\$ 50,000	Per Occurrence Per Named Insured for this Declaration for Fine Arts for the peril of Earthquake for Named Insured(s) who do not purchase dedicated Earthquake limits
	\$ 10,000	Per Vehicle or Item for Licensed Vehicles, Unlicensed Vehicles and Contractor's Equipment subject to \$100,000 Maximum Per Occurrence, Per Named Insured for the peril of Flood for Named Insured(s) who do not purchase dedicated Flood limits
	\$ 50,000	Per Occurrence Per Named Insured for this Declaration for Fine Arts for the peril of Flood for Named Insured(s) who do not purchase dedicated Flood limits
	24 Hour	Waiting Period for Service Interruption for All Perils and Coverages
	2.5%	of Annual Tax Revenue Value per Location for Tax Interruption
	Not Covered	Per Occurrence for Off Premises Vehicle Physical Damage. If Off-Premises coverage is included/purchased, the stated deductible will apply to vehicle physical damage both on and off-premises on a Per Occurrence basis, unless otherwise stated. If Off-Premises coverage is not included, On-Premises/In-Yard coverage is subject to the All Risk (Basic) deductible.

**DEDUCTIBLES FOR
SPECIFIC PERILS
AND COVERAGES:
(continued)**

\$	25,000	Per Occurrence for Contractor's Equipment
\$	25,000	Except \$5,000 for Fine Art and \$2,500 for Electronic Data Processing Per Occurrence for Primary Terrorism

\$ 500,000 Per Occurrence for Excess Terrorism (Applies only if the Primary Terrorism Limit is exhausted)

Included Information Security & Privacy Insurance with Electronic Media Liability Coverage. See Cyber Coverage Document for details of coverage terms, limits and deductibles. (Cyber Liability)

SPECIAL TERMS 1: Unscheduled Research Animals for Universities and Institutions of Higher Learning

\$2,500,000 Special Terms Limit

Same As All Risk Special Terms Deductible

SPECIAL TERMS 2: Business Interruption Coverage is extended to include tuition fees as respects Universities attaching under Declaration 26

Included in Business Interruption sublimit Special Terms Limit

Same As All Risk Special Terms Deductible

TERMS & CONDITIONS: 25% Minimum Earned Premium and cancellations subject to 10% penalty

Except Cyber Liability Premium is 30% Earned at Inception

Except Pollution Liability Premium is 100% Earned at Inception

NOTICE OF CANCELLATION: 90 Days except 10 Days for non-payment of premium

	Annual Cost*
Total Property Premium:	\$ 182,203.00
Excess Boiler:	\$ 3,102.00
ABS Fee:	\$ 5,107.00
SLT&F's (Estimate)	\$ 5,929.76
TOTAL COST †: (Including Taxes and Fees)	\$ 196,341.76
*Premiums are based on valid selectable options and the TIV's above. Changes in TIV's will require a premium adjustment.	

† TOTAL COST includes: premiums, underwriting fees, commissions, loss control expenses, program administration charges, and applicable taxes (excluding the Cyber Enhancement premium - should you have elected to purchase this coverage)

PRINT DATE: May 26, 2016

PROPOSAL VALID UNTIL: July 1, 2016

BROKER: **ALLIANT INSURANCE SERVICES, INC.**
License No. 0C36861

Daniel Howell
Sr Executive Vice President

David Evans
Senior Vice President

Rachel Ramos
Account Manager, Lead

NOTES:

- ***Major pending and approved changes to the APIP Program are described in the Executive Summary.***
- ***Change in Total Insurable Values will result in adjustment in premium***
- ***Some coverage, sub-limits, terms and conditions could change until negotiations with the insurance carriers have been finalized***
- ***Coverage outlined in this Proposal is subject to the terms and conditions set forth in the policy. Please refer to Policy for specific terms, conditions and exclusions***

**ALLIANT INSURANCE SERVICES, INC.
ALLIANT PROPERTY INSURANCE PROGRAM (APIP)**

BOILER & MACHINERY PROPOSAL

NAMED INSURED: University of California Hastings College of Law
POLICY PERIOD: July 1, 2016 to July 1, 2017
COMPANIES: See Attached List of Companies
TOTAL INSURED VALUES: \$ 249,485,488 as of May 26, 2016
STATUS/RATING: See Attached List of Companies

COVERAGES & LIMITS:

\$	100,000,000	Boiler Explosion and Machinery Breakdown, (for those Named Insureds that purchase this optional, dedicated coverage) as respects Combined Property Damage and Business Interruption/Extra Expense (Including Bond Revenue Interest Payments where Values Reported and excluding Business Interruption for power generating facilities unless otherwise specified). Limit includes loss adjustment agreement and electronic computer or electronic data processing equipment with the following sub-limits:
	Included	Jurisdictional and Inspections
\$	10,000,000	Per Occurrence for Service/Utility/Off Premises Power Interruption
	Included	Per Occurrence for Consequential Damage/Perishable Goods/Spoilage
\$	10,000,000	Per Occurrence for Electronic Data Processing Media and Data Restoration
\$	2,000,000	Per Occurrence, Per Named Insured and in the Annual Aggregate per Declaration for Earthquake Resultant Damage for Members who purchase Dedicated Earthquake Coverage
\$	10,000,000	Per Occurrence for Hazardous Substances/ Pollutants/Decontamination
	Included	Per Occurrence for Machine or Apparatus used for Research, Diagnosis, Medication, Surgical, Therapeutic, Dental or Pathological Purposes

NEWLY ACQUIRED

LOCATIONS: \$ 25,000,000 Automatic Acquisition for Boiler & Machinery values at newly acquired locations. Values greater than \$25,000,000 or Power Generating Facilities must be reported within 90 days and must have prior underwriting approval prior to binding

VALUATION: Repair or Replacement except Actual Loss sustained for all Time Element coverages

EXCLUSIONS

(Including but not limited to):

- Testing
- Explosion, except for steam or centrifugal explosion
- Explosion of gas or unconsumed fuel from furnace of the boiler

OBJECTS EXCLUDED:

(Including but not limited to):

- Insulating or refractory material
- Buried Vessels or Piping
- Furnace, Oven, Stove, Incinerator, Pot Kiln

NOTICE OF

CANCELLATION: 90 days except 10 days for non-payment of premium

DEDUCTIBLES:	\$ 10,000	Except as shown for Specific Objects or Perils
	\$ 10,000	Electronic Data Processing Media
	\$ 10,000	Consequential Damage
	\$ 10,000	Objects over 200 hp, 1,000 KW/KVA/Amps or Boilers over 5,000 square feet of heating surface
	\$ 50,000	Objects over 350 hp, 2,500 KW/KVA/Amps or Boilers over 10,000 square feet of heating surface
	\$ 100,000	Objects over 500 hp, 5,000 KW/KVA/Amps or Boilers over 25,000 square feet of heating surface
	\$ 350,000	Objects over 25,000 hp, 25,000 KW/KVA/Amps or Boilers over 250,000 square feet of heating surface
	10 per foot / \$2,500 Minimum	Deep Water Wells
	24 Hour Waiting Period	Utility Interruption
	24 Hours	Business Interruption/Extra Expense Except as noted below
	30 Days	Business Interruption - Revenue Bond
	5 x 100% of Daily Value	Business Interruption - All objects over 750 hp or 10,000 KW/KVA/Amps or 10,000 square feet heating surface
	5 x 100% of Daily Value	Business interruption - All Objects at Waste Water Treatment Facilities and All Utilities

Annual Cost

COST: Cost is included on Property Proposal

PRINT DATE: May 26, 2016

PROPOSAL VALID UNTIL: July 1, 2016

BROKER: **ALLIANT INSURANCE SERVICES, INC.**
License No. 0C36861
Daniel Howell
Sr Executive Vice President, Mng Dir, Specialty

David Evans
Senior Vice President

Rachel Ramos
Account Manager, Lead

NOTES:

- ***Major pending and approved changes to the APIP Program are described in the Executive Summary.***
- ***Change in Total Insurable Values will result in adjustment in premium***
- ***Some coverage, sublimits, terms and conditions could change until negotiations with the insurance carriers have been finalized***
- ***Coverage outlined in this Proposal is subject to the terms and conditions set forth in the policy. Please refer to Policy for specific terms, conditions and exclusions***

**ALLIANT INSURANCE SERVICES, INC.
ALLIANT PROPERTY INSURANCE PROGRAM (APIP)**

POLLUTION LIABILITY COVERAGE PROPOSAL

TYPE OF INSURANCE: Insurance Reinsurance

TYPE OF COVERAGE: Claims Made and Reported Pollution Liability

PROGRAM: **Alliant Property Insurance Program (APIP)**

NAMED INSURED: Any member(s), entity(ies), agency(ies), organization(s), enterprise(s), pool(s), Joint Powers Authority(ies) and/or individual(s) attached to each Declaration insured as per Named Insured Schedule on file with Insurer, listed below.

POLICY PERIOD: July 1, 2016 to July 1, 2017

RETROACTIVE DATE: July 1, 2011 for existing insureds included on the 2011-2012 policy at inception; For all other insureds the retroactive date is the date of addition to the Program.

COMPANY: Illinois Union Insurance Company

A.M. BEST INSURANCE RATING: A++u, Superior, Financial Category XV (\$2 Billion or greater)
Effective July 2, 2015

STANDARD & POORS RATING: AA (Very Strong) as of March 23, 2016

ADMITTED STATUS: Non-Admitted in all states except Illinois

COVERAGE LOCATIONS: Per the following SOVs submitted on 3/16/2016:

1. PEEIP DEC 1 – SOVs
2. PEEIP DEC 2 – SOVs
3. PEEIP DEC 3 – SOVs
4. PEEIP DEC 4 – SOVs
5. PEEIP DEC 5 – SOVs
6. PEEIP DEC 8 – SOVs (Excludes SPIP, except as endorsed)
7. PEEIP DEC 11 – SOVs
8. PEEIP DEC 12 – SOVs
9. PEEIP DEC 19 – SOVs
10. PEEIP DEC 20 – SOVs
11. PEEIP DEC 21 – SOVs
12. PEEIP DEC 25 – SOVs
13. PEEIP DEC 26 – SOVs
14. PEEIP DEC 27 – SOVs
15. PEEIP DEC 28 – SOVs
16. PEEIP DEC 30 – SOVs
17. PEEIP DEC 33 – SOVs
18. PEEIP DEC 34 – SOVs

COVERAGE LOCATIONS: CONTINUED

Covered locations include any location owned, operated, managed, leased or maintained by the Insured at policy inception. Covered locations also include any subsurface potable water, wastewater or storm water pipes to or from a covered location, that is not a pipe, provided that such pipes are located within a one thousand (1,000) foot radius of such covered location.

COVERAGES & LIMITS:

\$25,000,000 Policy Program Aggregate (all insureds combined)
\$ 2,000,000 Per Pollution Condition or Indoor Environmental Condition
\$ 2,000,000 Per Named Insured Aggregate

SUBLIMITS:

\$ 500,000 Per Bacteria / Virus Indoor Environmental Condition Insured Aggregate Sublimit*
 \$ 250,000 Catastrophe Management Costs Sublimit*

*Note: the above sub-limits payable under this coverage do not increase and are not in addition to the applicable limit of liability.

EXTENDED REPORTING PERIOD:

For First Named Insured - To be determined at the time of election (additional premium can apply); Ninety (90) day basic extended reporting period available without additional premium

SPECIFIC COVERAGE PROVISIONS:

CLAIMS MADE AND REPORTED

Coverage A – New Pollution Conditions or Indoor Environmental Conditions Coverage:

First-party and third-party coverage for claims arising out of a pollution condition on, at, under or migrating from a covered location, or an indoor environmental condition at a covered location, provided the claim is first made or the Insured first discovers such pollution condition or indoor environmental condition during the policy period.

Coverage B – Transportation Coverage:

First-party and third-party coverage for claims arising out of a pollution condition resulting from transportation, provided the claim is first made or the Insured first discovers such pollution condition during the policy period.

Coverage C – Non-Owned Disposal Site Coverage:

Third-party coverage for claims arising out of a pollution condition on, at, under or migrating from a non-owned disposal site, provided the claim is first made during the policy period.

Supplemental coverage for First-party and Third-party claims arising out of pollution conditions and indoor environmental conditions resulting from covered operations is included. Covered operations are defined as any operations within the capacity of a public entity which are performed by or on behalf of a “named insured” outside the physical boundaries of a “covered location”.

**SPECIFIC
COVERAGE
PROVISIONS (cont.):**

Coverage for catastrophe management costs and emergency response costs (first-party remediation costs incurred within seven (7) days following the discovery of a pollution condition) included, provided that the costs are reported to the insurer within fourteen (14) days.

Supplemental coverage for Products Pollution is included for potable, reclaimed and recycled water processed at any covered location that is also a potable water or wastewater treatment plant. This coverage covers Third-party claims arising out of product pollution, provided the claim is first made during the policy period. Coverage of lead contamination of potable water is excluded.

All Named Insureds scheduled on this policy have the same rights as the First Named Insured; this includes any member of a pool or Joint Powers Authority specifically scheduled onto this policy.

Coverage for mid-term transactions for values that are less than \$25,000,000 shall automatically be added as a covered location, upon the closing date of such acquisition, or the effective date of such lease, management, operation or maintenance right or obligation, respectively.

Automatic Acquisition and Due Diligence – Property purchased in the amount of or in excess of \$25,000,000 need to be reported within 90 days, along with a Phase I Environmental Site Assessment, or two (2) years of property insurance loss runs or a completed, signed application.

Illicit Abandonment is included in the definition of pollution condition.

Mold, fungi and legionella pneumophila are included in the definition of an indoor environmental condition.

Defense Costs and Expenses are within Limits of Liability.

The insurance afforded by this Policy shall apply in excess of any other valid, collectible insurance, with the exception of policies specifically written to be in excess of this policy.

Underground Storage Tanks coverage included, with a self-insured retention of \$750,000. **Note: Does not meet financial assurance requirements.**

Loss covered pursuant to a Federal, State, County or Municipality administered underground storage tank fund, or any functional equivalent to such fund, shall be considered primary insurance, to which the coverage afforded pursuant to this Policy shall only apply in excess. Under such primary insurance policy shall erode the \$750,000 per pollution condition self-insured retention. *This includes storage tank pollution liability insurance.*

Blanket Coverage included for Non-Owned Disposal Sites. Includes Any properly permitted and licensed non-owned disposal sites that has not been identified by the United States EPA National Priorities List, CERCLIS list or any functional equivalent of those listings, and is not undergoing voluntary or regulatory required remediation at the time the waste was received for disposal.

**EXCLUSIONS
(including but not
limited to):**

Coverage does not apply to any claim or loss from:

- *Asbestos and Lead Based Paint. This exclusion does not apply to Third-party claims for Bodily Injury, Property Damage or any associated legal defense expenses, nor to First-party Remediation Costs arising out of asbestos, asbestos-containing material, or lead-based paint discovered in soil or groundwater. Also does not apply to first-party remediation costs that first commenced during the policy period, do not arise out of or relate to any pollution conditions which existed prior to policy inception, are sudden, unintended and unexpected by the Insured and discovered within seven (7) days of commencement, as long as they are reported to the Insurer within twenty-one (21) days of discovery. This does not include coverage for asbestos or lead-based paint abatement, removal, or disposal resulting from the maintenance, renovation or physical improvement of a covered location.*
- *Contractual Liability – Does not apply to environmental indemnity obligations, or to liability of others that would have attached to the Insured in the absence of a contract or agreement.*
- *Divested Property*
- *Employers Liability*
- *Criminal Fines and Criminal Penalties*
- *Fraud or Misrepresentation*
- *Sewage Backup – based upon or arising out of the reverse flow of sewage through a sanitary lateral into any structure, including, but not limited to, 3rd party residences and commercial buildings. This exclusion does not apply to your insured locations.*
- *First Party Property Damage – Does not apply to remediation costs, emergency response costs, business interruption costs or catastrophe management costs.*
- *Insured's Internal Expenses - Does not apply to emergency response costs, along with any associated catastrophe management costs.*
- *Insured vs. Insured*
- *Intentional Non-Compliance*
- *Known Conditions*
- *Landfills, Recycling Facilities, or Oil and/or Gas Producing or Refining Facilities*
- *Ports – Defined as a location on the coast or any other body of water where ships or watercraft can dock and transfer cargo to or from land and engages in the business of importing/exporting of goods.*
- *Airports – Defined as a location whereby enplanement occurs and/or cargo is moved for a fee and the following operations are conducted: storage, transportation and dispensing of fuel and/or de-icing solutions.*
- *Material Change in Risk – Does not apply to covered operations that are performed with respect to uses and operations that are within the capacity of a Public Entity.*
- *Professional Liability*
- *Regulatory Compliance – Does not apply to any such non-compliance that occurs subsequent to release from a covered underground storage tank.*

**EXCLUSIONS
(including but not
limited to, cont.):**

- Work Product
- Workers' Compensation
- Products Liability. *Does not apply to a pollution condition that first commences during transportation, or to pollution conditions resulting from the use of potable, reclaimed or recycled water processed at any covered location that is also a potable water or wastewater treatment plant, if applicable. Also does not apply to coverage afforded for product pollution pursuant to the Products Pollution Coverage Endorsement attached to this policy. Lead contamination of potable water is not covered and is excluded.*
- Lead Contaminated Water
- Property damage to any automobile, aircraft, watercraft, railcar or other conveyance utilized for transportation.
- War or Terrorism
- Any subsurface potable water, wastewater or storm water pipes leading to or exiting from a covered location, which is not a pipe, provided that such pipe sections are located beyond a one thousand (1,000) foot radius of such covered location.

RETENTION:

\$ 75,000	Per Pollution Condition or Indoor Environmental Condition
\$375,000	Per Named Insured Aggregate retention applicable to all Pollution Conditions or Indoor Environmental Conditions
\$ 37,500	Per Named Insured maintenance retention applicable to all Pollution Conditions or Indoor Environmental Conditions
\$750,000	Underground Storage Tanks Specific
10 Days	Waiting Period for Business Income and Extra Expense

CLAIMS REPORTING NOTICE

PLEASE NOTE THAT POLLUTION LIABILITY POLICIES CONTAIN EXTREMELY STRICT CLAIM REPORTING PROCEDURES. Below please find your policy specific claim reporting requirements - Please make sure you understand these obligations. Contact your Alliant Service Team with any questions.

THIS IS A CLAIMS MADE POLICY

This claims-made policy contains a requirement stating that this policy applies only to any claim first made against the Insured and reported to the insurer during the policy period or applicable extended reporting period. Claims must be submitted to the insurer during the policy period, or applicable extended reporting period, as required pursuant to the Claims/Loss Notification Clause within the policy in order for coverage to apply. Late reporting or failure to report pursuant to the policy's requirements could result in a disclaimer of coverage by the insurer.

LOSS REPORTING REQUIREMENTS:

Written notice of any claim or pollution condition, within seven (7) days of discovery for pollution conditions requiring immediate emergency response. Concurrently, please send to:

- 1) ACE Environmental Risk Claims Manager
ACE USA Claims
P.O. Box 5103
Scranton, PA 18505-0510
(888) 310-9553 24 Hour Environmental Emergency Hotline
(800) 951-4119 (Fax – First Notices Only)
(866) 635-5687 (Fax – All Other Items)
CasualtyRiskEnvironmentalFirstNotice@chubb.com
- 2) ACE Alert Program
Sign up for ACE Alert at <https://ace.spillcenter.net/>
24/7 incident reporting via phone, web or mobile device
App Available on Apple App Store, Google Play and Blackberry App World
- 3) Martin Fox-Foster
Alliant Insurance Services, Inc.
100 Pine Street, 11th Floor
San Francisco, CA 94111-5101
415-403-1417
415-403-1466 – fax
Martin.Fox-Foster@alliant.com

NOTICE OF CANCELLATION:

90 days except 15 days for non-payment of premium

REINSTATEMENT PROVISIONS:

Not Provided.

POLLUTION LIABILITY COST:

Cost is included in Total Property Premium
100% Earned Premium at Inception

OTHER SERVICES:

- Value-Added Engineering Package:
- Mold Awareness Training
 - ACE will offer a single Mold Awareness Training Presentation, provided by ACE ESIS personnel, for little or no additional cost. Must be held at one central location or online.
 - Due Diligence Program Overview
 - ACE will provide up to 50 First Search Reports of government environmental databases for no additional charge
 - Asbestos-Containing Materials (ACM)/Lead Based Paint (LBP) Plan
 - ACE will assist the insured in the creation of a single ACM/LBP plan for a minimal additional cost
 - Mold Operations & Maintenance (O&M) Plan
 - ACE will assist the insured in the creation of a single Mold O&M plan for a minimal additional cost

QUOTE VALID UNTIL: July 1, 2016

BROKER:

ALLIANT INSURANCE SERVICES, INC.
License No. 0C36861

ACE ALERTSM

ACE LOGISTICAL ENVIRONMENTAL RESPONSE TECHNOLOGY

Environmental releases can happen unexpectedly and at any moment. When these events occur companies are faced with the responsibility of cleanup and site remediation, not to mention the additional cost factors and regulatory implications that can be involved.

ACE ALERTSM is a complimentary program developed to assist ACE Environmental Risk clients find and dispatch qualified incident response contractors, monitor cleanup costs (in real time) and mitigate potential liabilities associated with environmental releases.

ACEALERTSM Services

- Incident Reporting
- Contractor Referrals
- Response Coordination Assistance
- Incident Documentation
- Invoice Review
- Customized Alerts
- Contractor Registration
- Subject - Relevant E-Marketing communications

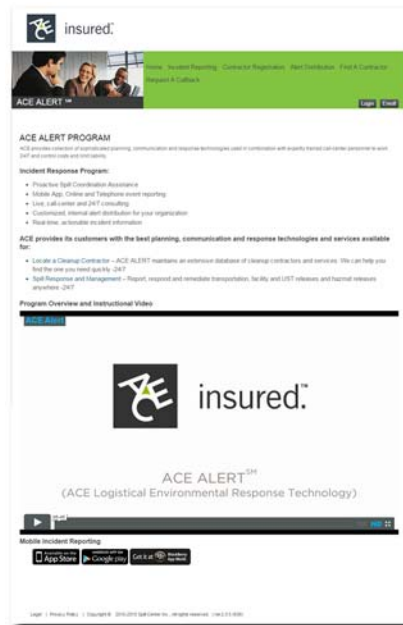
Key Highlights

- 24/7 incident reporting via phone, web or mobile device
- Access to a database of over 3,500 response contractors that clients can independently engage for services
- Assistance with Federal/State/Local Regulatory reporting (through an ACE vendor)
- Response coordination assistance (multilingual capabilities)
- Capability of establishing customized alerts via email and/or text message when the system is activated
- Complete data package delivered electronically
- Business Continuity – minimize disruption to the clients' business and focus on returning to normal operations

How to Access

- Details of the program, including access to where ACE Environmental Risk clients can complete their enrollment, is available online at <https://ace.spillcenter.net>
- Once enrollment is complete, clients can report an environmental incident either online, by telephone or mobile device via the ACE ALERTSM application available on iPhone, Android and certain Blackberry models

Visit <https://ace.spillcenter.net> to learn more about ACE ALERTSM



CONTACT US

Bob Winterburn
215 640-1451
Robert.Winterburn@esis.com

Steve Piatkowski
215 640-4890
Steven.Piatkowski@acegroup.com

ACE ALERTSM is offered through Spill Center, a North American leader in environmental regulatory reporting and spill support that draws from a database of more than 3,500 environmental cleanup contractors throughout North America who are experienced and equipped to react to particular kinds of spills.

Reporting a spill using Spill Center services does not constitute the reporting of a claim in accordance with the terms and conditions of your policy and nor is it an indication that coverage is available under any such policy. Any communications in connection with your use of Spill Center services are not intended to alter, amend or provide interpretive commentary on any insurance policy contracts. Spill Center is not a subsidiary or affiliate of the ACE Group. ACE Group disclaims all liability, loss, damages and other costs that may arise out of your use of or reliance upon any spill reporting services, other services, communications and representations or warranties made by Spill Center or its affiliates.

ACE USA is the U.S.-based retail operating division of the ACE Group, a global leader in insurance and reinsurance, serving a diverse group of clients. Headed by ACE Limited (NYSE: ACE), a component of the S&P 500 stock index, the ACE Group conducts its business on a worldwide basis with operating subsidiaries in more than 50 countries. Additional information can be found at www.acegroup.com/us

Insurance provided by ACE American Insurance Company, Philadelphia, PA and in some jurisdictions, other insurance companies within the ACE Group. The product information above is a summary only. The insurance policy actually issued contains the terms and conditions of the contract. All products may not be available in all states. Surplus lines insurance sold only through licensed surplus lines producers.



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**ALLIANT INSURANCE SERVICES, INC.
ALLIANT PROPERTY INSURANCE PROGRAM (APIP)
CYBER LIABILITY PROPOSAL**

TYPE OF COVERAGE: Information Security & Privacy Insurance with Electronic Media Liability Coverage

PROGRAM: **Alliant Property Insurance Program (APIP) inclusive of Public Entity Property Insurance Program (PEPIP), and Hospital All Risk Property Program (HARPP)**

NAMED INSURED: Any member(s), entity(ies), agency(ies), organizations(s), enterprise(s) and/or individuals(s) attached to each Declaration insured as per schedule on file with Insurer.

DECLARATION: Various Declarations as on file with Insurer

POLICY PERIOD: July 1, 2016 to July 1, 2017

TERRITORY: WORLD-WIDE

RETROACTIVE DATE: **APIP/PEPIP**
For new members – the retro active date will be the date of addition
 July 1, 2015 For existing members included on the July 1, 2015/16 policy
 July 1, 2014 For existing members included on the July 1, 2014/15 policy
 July 1, 2013 For existing members included on the July 1, 2013/14 policy
 July 1, 2012 For existing members included on the July 1, 2012/13 policy
 July 1, 2011 For existing members included on the July 1, 2011/12 policy
 July 1, 2010 For existing members included on the July 1, 2010/11 policy

HARPP
For new members – the retro active date will be the date of addition
 July 1, 2009 For members endorsed onto the July 1, 2009/10 policy at a \$500,000 limit except for those members who did not provide a "No Known Losses Letter" then the retro date is the date that the member was added
 July 1, 2010 For \$1,500,000 excess \$500,000

CSU
 July 1, 2008 California State University and CSU Auxiliary Organizations

INSURER: Lloyd's of London - Beazley Syndicate:
 Syndicates 2623 - 623 - 100%

COVERAGES & LIMITS:

THIRD PARTY LIABILITY	Ai.	\$	25,000,000	Annual Policy and Program Aggregate Limit of Liability (subject to policy exclusions) for all Insured's/Members combined (Aggregate for all coverage's combined, including Claims Expenses), subject to the following sub-limits as noted.
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THIRD PARTY LIABILITY <i>(continued)</i>	Aii.	\$	2,000,000	Annual Aggregate Limit of Liability for each Insured/Member for Information Security & Privacy Liability . Each Member of a JPA will have a \$2,000,000 Limit Each (Aggregate for all coverages combined, including Claim Expenses) but sublimited to:
	B.	\$	500,000	Annual Policy Aggregate Limit of Liability for each Insured/Member Privacy Notification Costs coverage. Limit is \$1,000,000 if Beazley vendor services are used.
	C.	\$	2,000,000	Annual Policy Aggregate Limit of Liability for each Insured/Member for all Claims Expenses and Penalties for Regulatory Defense and Penalties PCI Fines and Penalties coverage added with sub-limit of \$100,000.
	D.	\$	2,000,000	Annual Policy Aggregate Limit of Liability for each Insured/Member for all Damages and Claims Expenses for Website Media Content Liability (Occurrence Based)
FIRST PARTY COMPUTER SECURITY	E.	\$	2,000,000	Policy Aggregate Sublimit of Liability for each Insured/Member for Cyber Extortion Loss
	F.	\$	2,000,000	Policy Aggregate Sublimit of Liability for each Insured/Member for Data Protection Loss and Business Interruption Loss
	G.			First Party Business Interruption Sub-Limits of Liability for each Insured/Member \$ 50,000 1) Hourly Sublimit \$ 50,000 2) Forensic Expense Sublimit \$ 150,000 3) Dependent Business Interruption Sublimit.

The sub-limits of liability displayed above in Items B, C and D are part of, and not in addition to, the overall Annual Aggregate Limit of Liability for each Insured/Member (Item Aii)

RETENTION:	\$	25,000	CSU Auxiliary Organizations only
	\$	50,000	Per Occurrence for each Insured/Member with TIV up to \$500,000,000 at the time of loss 8 Hour waiting period for first party claims
	\$	100,000	Per Occurrence for each Insured/Member with TIV greater than \$500,000,000 at time of loss 8 Hour waiting period for first party claims

NOTICE: Policy coverage sections I.A - Information Security & Privacy Liability, I.B.- Privacy Notification Costs and I.C.-Regulatory Defense & Penalties of this policy provide coverage on a claims made and reported basis; except as otherwise provided, coverage under these insuring agreements applies only to claims first made against the insured and reported to underwriters during the policy period. Claims expenses shall reduce the applicable limit of liability and are subject to the applicable retention.

**EXTENDED
REPORTING PERIOD:**

For First Named Insured - To be determined at the time of election (additional premium will apply)

**SPECIFIC COVERAGE A.
PROVISIONS:**

Information Security and Privacy Liability pays on behalf of the Insured/Member damages and claims expenses excess of the retention which the Insured/Member shall become legally obligated to pay because of any claim, including a claim for violation of a privacy law first made against the Insured/Member and reported to underwriters during the policy period for

- theft, loss or unauthorized disclosure of personally identifiable non-public information or third party corporate information that is in the care, custody or control of the Insured/Member, or an independent contractor that is holding, processing or transferring such information on behalf of the Insured/Member.
- Acts or incidents that directly result from the failure of computer security to prevent a security breach including
 - Alteration, corruption, destruction, deletion, or damage to a data asset stored on computer systems
 - Failure to prevent transmission of malicious code from computer systems to third party computer systems
 - Participation in a denial of service attack directed against a third party computer system
- The failure to timely disclose any of the above in violation of any breach notice law
- The failure to comply with a privacy policy involving the disclosure, sharing or selling of personally identifiable non-public information
- The failure to administer an identity theft prevention program

B. Privacy Notification Costs pay the Insured/Member for reasonable and necessary costs to comply with a breach notice law because of an incident that first takes place on or after the retroactive date and before the end of the policy period. Privacy Notification Costs means costs incurred within one year of the reporting of the incident or suspected incident to the Underwriters:

- To hire security experts;
- Notification provisions,
- Public relations mitigation up to \$50,000 subject to Nil coinsurance
- Credit monitoring for the purpose of mitigating potential damages and are subject to Nil coinsurance
 - Credit file monitoring,
 - Mailing and third party administrative costs

To provide notification to:

- (a) Individuals who are required to be notified by the **Insured Organization** under the applicable **Breach Notice Law**; and
- (a) In the Underwriters' discretion, to individuals affected by an incident in which their **Personally Identifiable Non-Public Information** has been subject to theft, loss, or Unauthorized Disclosure in a manner which compromises the security or privacy of such individual by posing a significant risk of financial, reputational or other harm to the individual.

SPECIFIC COVERAGE PROVISIONS:
(Continued)

- C. Regulatory Defense and Penalties** pays on behalf of the Insured/Member claims expenses and penalties which the Insured/Member shall become legally obligated to pay because of any claim in the form of a regulatory proceeding resulting from a violation of a privacy law and caused by an incident described under certain sections of the information security and privacy liability section of the policy.
- D. Website Media Content Liability** (occurrence based) pays on behalf of the insured damages and claims expenses resulting from any claim made against the Insured/Member for one or more of the following acts committed in the course of covered media activities:
- Defamation, libel, slander, trade libel
 - Privacy violation
 - Invasion or interference with publicity
 - Plagiarism, piracy, misappropriation of ideas under implied contract
 - Infringement of copyright
 - Infringement of domain name, trademark
 - Improper deep-linking or framing within electronic content
- E. Cyber Extortion** indemnifies the Insured/Member for costs incurred as a result of an extortion threat by a person other than employees, directors, officers, principals, trustees, governors, managers, members, etc.
- F. First Party Data Protection** indemnifies the Insured/Member for data protection loss as a result of alteration, corruption, destruction, deletion, damage or inability to access data assets.
- G. First Party Network Business Interruption** indemnifies the Insured/Member for business interruption loss as a direct result of the actual and necessary interruption or suspension of computer systems and is directly caused by a failure of computer security to prevent a security breach.

**EXCLUSIONS:
(Including but not limited to)**

Coverage does not apply to any claim or loss from

- Bodily Injury or Property Damage
- Any employer-employee relations, policies, practices
- Contractual Liability or Obligation
- Any actual or alleged act, error or omission or breach of duty by any director, officer, manager if claim is brought by principals, officers, directors, stockholders and the like
- Anti-Trust violations
- Unfair trade practices
- Unlawful collection or acquisition of Personally Identifiable Non-Public Information
- Distribution of unsolicited e-mails, facsimile, audio or video recording
- Prior knowledge or previously reported incidents
- Incidents occurring prior to retroactive date/continuity date
- Any act, error, omission, of computer security if occurred prior to policy inception
- Collusion
- Securities Act Violations
- Fair Labor Act Violations
- Discrimination
- Intentional Acts with regard to Privacy and Security Breach
- Infringement - Patent and Copyright
- Federal Trade Commission and related state, federal, local and foreign governmental activities
- Insured vs. Insured
- Money/Securities/Funds Transfer
- Broadcasting, Publications and Advertising
- War and Terrorism
- Pollution
- Nuclear Incident
- Radioactive Contamination

NOTICE OF CLAIM:

- **IMMEDIATE NOTICE** must be made to Beazley NY of all potential claims and circumstances (assistance, and cooperation clause applies)
- Claim notification under this policy is to:
Beazley Group
Attn: Beth Diamond
1270 Avenue of the Americas
New York, NY 10020
tmbclaims@beazley.com

**NOTICE OF
CANCELLATION:**

10 days for non-payment of premium

**REINSTATEMENT
PROVISIONS:**

Optional reinstatement at 125% of the annual premium

Exhaustion of \$2,000,000 Annual Aggregate Limit of Liability for Each Insured/Member for Information Security & Privacy Liability:

Reinstatement of Aggregate Limits for each Insured/Member will be automatic and subject to additional premium

CYBER COST: Cost is included in Total Property Premium
30% Earned Premium at Inception

OTHER SERVICES Unlimited Access to Beazley Breach Solutions as per attached brochure.

**PROPOSAL VALID
UNTIL:** July 1, 2016

BROKER: ALLIANT INSURANCE SERVICES, INC.

License No. 0C36861

NOTES: Coverage outlined in this Proposal is subject to the terms and conditions set forth in the policy. Please refer to Policy for specific terms, conditions and exclusions.

APIP CYBER ENHANCEMENT OPTION (CEO)

Insurance for the digital age



Dear valued APIP client:

Beazley Insurance Group has been a trusted partner to the APIP program over the last 5 years, providing cyber coverage to Insureds at a nominal cost.

In the last few years there has been a noted increase in the number of cyber attacks. Due to the current cyber climate, Alliant believes it is important to review the limits and coverages available to our insureds and to provide additional options and services.

Alliant and Beazley working together have created an option to augment your current cyber coverage through a new APIP Cyber Enhancement Option (CEO). Even if you believe the current cyber limits available through APIP are sufficient, it may be worth investing time to have your Alliant broker discuss the benefits of enhanced coverage. Organizations with the most robust software protection are still susceptible to human error, a third party mishandling your information, or a rogue employee.

Currently, APIP insureds have \$2 million in cyber limits to include all services related to a data breach with a sub-limit up to \$1 million for Privacy Notification Costs. There are two options available to enhance your coverage through CEO; however, **you must purchase Option 1 first in order to access Option 2**. The increased coverages and services available include:

Option 1 –

- Separating breach notifications from the dollar limit and specifying the number of covered notifications so that notifications do not erode the APIP limit
- No monetary cap for credit monitoring and call center services
- Lower deductibles for privacy notification services
- Separate, standalone limits for Legal, Forensics, Crisis Management or Public Relations Firms
- Hands-on pre and post loss consultation from an expert team of cyber risk professionals.
- Extensive risk management resources available for your organizations' stakeholders (Legal, IT, Risk, Compliance, etc.)
- Short form application

Option 2 – Excess Limits available, up to \$5 Million for:

- Regulatory Defense & Penalties
- Website Media Content Liability
- Cyber Extortion
- Data Protection Loss & Business Interruption
- Increased PCI Fines and Penalties (sub-limited)

A Cyber Enhancement Option indication can be provided in 5-7 business days with little information. Contact your Alliant broker or Account Representative for more information by returning the attached document. Thank you.

APIP CYBER ENHANCEMENT OPTION (CEO)

Insurance for the digital age



APIP Cyber Enhancement Option (CEO):

Request:

Our Entity requests a proposal for the APIP Cyber Enhancement Option.

Declination:

Our Entity is not interested in the APIP Cyber Enhancement Option (CEO) that has been offered to us. We understand that Alliant has access to cyber insurance markets and can provide a quote for us in the future if we become interested. We decline to purchase the APIP Cyber Enhancement Option at this time.

Entity Name

Signature

Date

Print Name and Title

Please return this page to your Alliant representative.

Premium for C.E.O. is excluded from the APIP Property Proposal.

**ALLIANT PROPERTY INSURANCE PROGRAM
2016-2017**

**NAMED INSURED SCHEDULE
AS OF 05/26/2016**

THE NAMED INSURED IS:

University of California Hastings College of Law
200 McAllister Street
San Francisco, CA 94102

First Named Insured Member shall be deemed the sole agent of each and every Named Insured for the purpose of:

- (1) Giving notice of cancellation,
- (2) Giving instructions for changes in the Policy and accepting changes in this Policy
- (3) The payment of assessments / premiums or receipt of return assessments / premiums.

Member(s), entity(ies), agency(ies), organization(s), enterprise(s) and/or individual(s) for whom the Named Insured has extended coverage is as follows:

NAMED INSURED:

University of California Hastings College of Law

Alliant Property Insurance Program
2016-2017 Policy Year
Schedule of Insurers (Proposed)

Company	A.M. Best's I.D. #	A.M. Best's Guide Rating	Standard and Poor's	State of California
ACE – Illinois Union Insurance Company	003510	A++, Superior; Financial Size Category 15; \$2,000,000,000 or greater (As of 7/2/15)	AA (As of 5/19/14)	Non-Admitted
ACE European Group Limited	086485	A++ , Superior; Financial Size Category 14; \$1,500,000,000 to \$2,000,000,000 (As of 7/2/15)	AA (As of 5/19/14)	Non-Admitted
Allied World Assurance Company	012525	A, Excellent; Financial Size Category 15; \$2,000,000,000 or greater (As of 2/11/16)	A (As of 6/7/11)	Admitted
Arch Specialty Insurance Company	012523	A+, Superior; Financial Size Category 15; \$2,000,000,000 or greater (As of 8/21/15)	A+ (As of 7/29/10)	Non-Admitted
Aspen Specialty Insurance	012630	A, Excellent; Financial Size Category 15; \$2,000,000,000 or greater (As of 11/18/15)	Not Rated (As of 5/3/16)	Non-Admitted
Atain Specialty Insurance Company	002842	A, Excellent; Financial Size Category 8; \$100,000,000 to \$250,000,000 (As of 6/12/15)	Not Rated (As of 5/3/16)	Non-Admitted
Berkshire Hathaway Specialty	000864	A++, Excellent; Financial Size Category 15; \$2,000,000,000 or greater (As of 9/1/15)	AA+ (As of 12/10/14)	Admitted
Endurance America Specialty	013033	A, Excellent; Financial Size Category 15; \$2,000,000,000 or greater (As of 5/28/15)	A (As of 12/5/06)	Non-Admitted
Endurance Worldwide Insurance Limited	083234	A, Excellent; Financial Size Category 15; \$2,000,000,000 or greater (As of 5/28/15)	A (As of 12/5/06)	Non-Admitted
Essex Insurance Company	002732	A, Excellent; Financial Size Category 15; \$2,000,000,000 or greater (As of 5/15/15)	A (As of 10/14/13)	Non-Admitted
Hallmark Specialty Insurance Company	010838	A-, Excellent; Financial Size Category 8; \$100,000,000 to \$250,000,000; (As of 3/18/15)	Not Rated (As of 5/3/16)	Non-Admitted

**Alliant Property Insurance Program
2016-2017 Policy Year
Schedule of Insurers (Proposed)**

Company	A.M. Best's I.D. #	A.M. Best's Guide Rating	Standard and Poor's	State of California
Hartford Steam Boiler Inspec & Ins	000465	A++, Superior; Financial Size Category 10; \$500,000,000 to \$750,000,000 (As of 2/5/16)	A+ (As of 4/17/15)	Admitted
Homeland Insurance Company of New York	010604	A, Excellent; Financial Size Category 10; \$500,000,000 to \$750,000,000 (As of 10/30/15)	A- (As of 7/2/10)	Non-Admitted
Houston Casualty Company	003286	A+, Superior; Financial Size Category 15; \$2,000,000,000 or greater (As of 10/22/15)	AA- (As of 10/28/15)	Non-Admitted
Interstate Fire & Casualty Company	002267	A+, Superior; Financial Size Category 15; \$2,000,000,000 or greater (As of 8/6/15)	AA (As of 3/17/16)	Non-Admitted
Ironshore Indemnity Inc. (AZ only)	013847	A, Excellent; Financial Size Category 14; \$1,500,000,000 to \$2,000,000,000 (As of 11/23/15)	Not Rated (As of 5/3/16)	Non-Admitted
Ironshore Specialty Insurance Company	013866	A, Excellent; Financial Size Category 14; \$1,500,000,000 to \$2,000,000,000 (As of 11/23/15)	Not Rated (As of 5/3/16)	Admitted
Lancashire Insurance Company (UK) Ltd.	078390	A, Excellent; Financial Size Category 12; \$1,000,000,000 to \$1,250,000,000 (As of 7/9/15)	A- (As of 5/18/10)	Non-Admitted
Lexington Ins. Company	002350	A, Excellent; Financial Size Category 15; \$2,000,000,000 or greater (As of 1/27/16)	A+ (As of 5/6/13)	Non-Admitted
Liberty Surplus Insurance Corporation	012078	A, Excellent; Financial Size Category 15; \$2,000,000,000 or Greater (As of 10/8/15)	A (As of 7/17/14)	Non-Admitted
Lloyd's of London	085202	A, Excellent; Financial Size Category 15; \$2,000,000,000 or Greater (As of 7/22/15)	A+ (As of 4/23/07)	Non-Admitted

**Alliant Property Insurance Program
2016-2017 Policy Year
Schedule of Insurers (Proposed)**

Company	A.M. Best's I.D. #	A.M. Best's Guide Rating	Standard and Poor's	State of California
Maxum Indemnity Company	012563	A-, Excellent; Financial Size Category 8; \$100,000,000 to \$250,000,000; (As of 3/18/16)	Not Rated (As of 5/3/16)	Non-Admitted
Partner Re Ireland Insurance Ltd.	078853	A, Excellent; Financial Size Category 15; \$2,000,000,000 or Greater (As of 8/4/15)	A+ (As of 2/17/12)	Non-Admitted
QBE Specialty Insurance Company	012562	A, Excellent; Financial Size Category 14; \$1,500,000,000 to \$2,000,000,000 (As of 3/10/16)	A+ (As of 7/22/09)	Non-Admitted
RSUI Indemnity Company	012603	A+, Superior Financial Size Category 13; \$1,250,000,000 to \$1,500,000,000 (As of 4/24/15)	A (As of 4/13/15)	Admitted
Scottsdale Surplus Lines Insurance Company	012121	A+, Superior Financial Size Category 15; \$2,000,000,000 or Greater (As of 3/19/15)	A+ (As of 6/17/13)	Non-Admitted
Steadfast Insurance Company	003557	A+, Superior; Financial Size Category 15; \$2,000,000,000 or Greater (As of 10/2/15)	AA- (As of 6/19/07)	Non-Admitted
Tokio Marine Specialty	000763	A++, Superior Financial Size Category 15; \$2,000,000,000 or Greater (As of 6/4/15)	A+ (As of 9/18/15)	Non-Admitted
United States Fire Insurance Company	002136	A, Excellent; Financial Size Category 13; \$1,250,000,000 to \$1,500,000,000 (As of 6/4/15)	A- (As of 11/20/09)	Admitted
Westport Insurance Corporation	000347	A+, Superior; Financial Size Category 15; \$2,000,000,000 or Greater (As of 12/11/15)	AA- (As of 10/28/11)	Admitted
XL Insurance America Inc.	002423	A, Excellent; Financial Size Category 15; \$2,000,000,000 or greater (As of 5/1/15)	A+ (As of 10/30/13)	Admitted

Disclosures / Disclaimers

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 your organization. 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.alliant.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.

NY Regulation 194 and General Broker Compensation Disclosure

Alliant Insurance Services, Inc. is an insurance producer licensed by the State of New York and other States. Insurance producers are authorized by their license to confer with insurance purchasers about the benefits, terms and conditions of insurance contracts; to offer advice concerning the substantive benefits of particular insurance contracts; to sell insurance; and to obtain insurance for purchasers. The role of the producer in any particular transaction typically involves one or more of these activities.

Compensation will be paid to the producer, based on the insurance contract the producer sells. Depending on the insurer(s) and insurance contract(s) the purchaser selects, compensation will be paid by the insurer(s) selling the insurance contract or by another third party. Such compensation may vary depending on a number of factors, including

the insurance contract(s) and the insurer(s) the purchaser selects. In some cases, other factors such as the volume of business a producer provides to an insurer or the profitability of insurance contracts a producer provides to an insurer also may affect compensation.

The insurance purchaser may obtain information about compensation expected to be received by the producer based in whole or in part on the sale of insurance to the purchaser, and (if applicable) compensation expected to be received based in whole or in part on any alternative quotes presented to the purchaser by the producer, by requesting such information from the producer.

Other Disclosures / Disclaimers Cont.

FATCA:

The Foreign Account Tax Compliance Act (FATCA) requires the notification of certain financial accounts to the United States Internal Revenue Service. Alliant does not provide tax advice so please contact your tax consultant for your obligation regarding FATCA.

NRRA:

(Applicable if the insurance company is non-admitted)

The Non-Admitted and Reinsurance Reform Act (NRRA) went into effect on July 21, 2011. Accordingly, surplus lines tax rates and regulations are subject to change which could result in an increase or decrease of the total surplus lines taxes and/or fees owed on this placement. If a change is required, we will promptly notify you. Any additional taxes and/or fees must be promptly remitted to Alliant Insurance Services, Inc.

Changes and Developments

It is important that we be advised of any changes in your operations, which may have a bearing on the validity and/or adequacy of your insurance. The types of changes that concern us include, but are not limited to, those listed below:

- Mergers and/or acquisition and any change in business ownership, including percentages.
- Any newly assumed contractual liability, granting of indemnities or hold harmless agreements.
- Any changes in existing premises including vacancy, whether temporary or permanent, alterations, demolition, etc. Also, any new premises either purchased, constructed or occupied
- Circumstances which may require an increased liability insurance limit.
- Any changes in fire or theft protection such as the installation of or disconnection of sprinkler systems, burglar alarms, etc. This includes any alterations to the system.
- Immediate notification of any changes to a scheduled of equipment, property, vehicles, electronic data processing, etc.
- Property of yours that is in transit, unless previously discussed and/or currently insured.

Loss Notification Requirements:

Your policy will come with specific claim reporting requirements. Please make sure your organization understands these obligations and time limitations which are outlined in the attached Loss Notification documents. Contact your Alliant Service Team with any questions.

Binding Requirements Recap

Required no later than June 30, 2016:

- Signed and dated Request to Bind Coverage form (below)
- Signed and dated Surplus Lines forms as required by your state and attached to this proposal*
- Full review of Loss Notification Requirements

*- only required for coverage in the following states: AR, CA, CT, FL, KS, MA, MT, NE, NY, NC, ND, OH, RI, WV, WY

Request to Bind Coverage

University of California Hastings College of Law

We have reviewed the proposal and agree to the terms and conditions of the coverages presented.

This Authorization to Bind Coverage also acknowledges receipt and review of all disclaimers, disclosures, and loss notification requirements including exposures used to develop insurance terms, contained within this proposal.

Signature of Authorized Insurance Representative

Date

Title

Printed / Typed Name

This proposal does not constitute a binder of insurance. Binding is subject to final carrier approval. *The actual terms and conditions of the policy will prevail.*

LOSS NOTIFICATION REQUIREMENT

ALLIANT PROPERTY INSURANCE PROGRAM (APIP)

Claim notifications need to be sent to Robert Frey, Diana Walizada and Cathryn O'Meara. In the event this is a *Cyber* loss please include item III contact, for a *Pollution* loss please include item IV contact in addition to Alliant Insurance Services contacts.

- I. During regular business hours (between 8:30 AM and 5:00 PM PST), First Notice of Claim should be reported to Alliant Insurance Services via telephone, fax, mail or e-mail to our San Francisco Office:

Robert A. Frey, RPA
Senior Vice President, Regional Claims Director
Voice: (415) 403-1445 Cell: (415) 518-8490
Email: rfrey@alliant.com

Diana L. Walizada, AIC, CPIW, RPA, AINS
Vice President, Claims Unit Manager
Voice: (415) 403-1453
Email: dwalizada@alliant.com

Address:

Alliant Insurance Services, Inc.
100 Pine St, 11th Floor
San Francisco CA 94111
Toll Free Voice: (877) 725-7695 Fax: (415) 403-1466

- II. Please be sure to include APIP's Claim Administrator as a CC on all Claims correspondence:

Cathryn O'Meara
McLaren's Global Claims Services
1301 Dove St., Suite 200
Newport Beach, CA 92660
Voice: (949) 757-1413 Fax: (949) 757-1692
Email: cathryn.omeara@mcclarens.com

Address:

- III. Cyber Liability Carrier Beazley NY needs to also be provided with Notice of Claim immediately (if purchased):

Beth Diamond
Beazley Group
1270 Avenue of the America's, Suite 1200
New York, NY 10020
Fax: (546) 378-4039
Email: tmclaims@beazley.com

Address:

Elaine G. Kim, CISR
Assistant Vice President, Claims Advocate
100 Pine Street, 11th Floor
San Francisco, CA 94111-5101
Voice: (415) 403-1458 Fax: (415) 403-1466
Email: ekim@alliant.com & martin.fox-foster@alliant.com

Address:

- IV. Pollution Liability Carrier ACE Environmental, Risk Claims Manager (if purchased):

ACE USA Claims
PO Box 5103
Scranton, PA 18505-0510
Environmental Emergency: (888) 310-9553
Fax: (800) 951-4119
Email: CasualtyRiskEnvironmentalFirstNotice@chubb.com

Address:

Martin Fox-Foster
Assistant Vice President, Claims Advocate Lead
100 Pine Street, 11th Floor
San Francisco, CA 94111-5101
Voice: (415) 403-1417 Fax: (415) 403-1466
Email: martin.fox-foster@alliant.com

Address:

Please include the Insured /JPA name along with the following information when reporting claims:

- Time, date and specific location of property damaged
- A description of the incident that caused the damage (such as fire, theft or water damage)
- Estimated amount of loss in dollars
- Contact person for claim including name, title, voice & fax numbers
- Complete and return the Property Loss Notice for processing.
- Mortgagee or Loss Payee name, address, and account number

IN THE EVENT OF A

PROPERTY LOSS:

- 1) Follow your organization procedures for reporting and responding to an incident*
- 2) Alert local emergency authorities, as appropriate*
- 3) Report the incident to Alliant Insurance Services immediately at:*

877-725-7695

All property losses must be reported as soon as practicable upon knowledge within the risk management or finance division of the insured that a loss has occurred.

Be prepared to give basic information about the location and nature of the incident, as well as steps which have been taken in response to the incident.

- 4) Report the incident to McLarens Global Claims Services AND your Alliant representative*

PROPERTY FIRST NOTICE OF LOSS FORM

SEND TO: Alliant Insurance Services, Inc.

BY MAIL: 100 Pine Street, 11th Floor, San Francisco, CA 94111

BY FAX: (415) 403-1466

BY EMAIL: rfrey@alliant.com AND dwalizada@alliant.com

Carbon Copy APIP Claims Administrator: cathryn.omeara@mclarens.com and your Alliant representative

Today's Date: _____

Type of Claim: (check all that apply)

- Real Property Vehicles
 Personal Property Other

Insured's Name & Contact Information

Insured's Name: _____ Point of Contact: _____

Address: _____

Phone #: _____

Broker/Agent's Name & Contact Information

Company Name: Alliant Insurance Services - Claims Point of Contact: Robert A. Frey & Diana L. Walizada

Address: 100 Pine Street, 11th Floor, San Francisco, CA 94111

Phone #: 1-877-725-7695

Fax #: 415-403-1466

Policy Information

Policy Number: _____ Policy Period: _____

Limits of Liability: _____ per _____ agg Self-Insured Retention/Deductible: _____

Loss Information

Date of Incident/Claim: _____ Location: _____

Description of Loss:

Please list all attached or enclosed documentation: (check if none provided) _____

Name of Person Completing This Form: _____

Signature: _____

Per the PEPIP USA Form Master Policy Wording, Section IV General Conditions;

J. NOTICE OF LOSS

In the event of loss or damage insured against under this Policy, the Insured shall give notice thereof to ALLIANT INSURANCE SERVICES, INC., 100 Pine Street, 11th Floor, San Francisco, CA 94111-1073. TEL NO. (877) 725-7695, FAX NO. (415) 403-1466 of such loss. Such notice is to be made as soon as practicable upon knowledge within the risk management or finance division of the insured that a loss has occurred.

IN THE EVENT OF A
CYBER LOSS:

- 1) *Follow your organizations procedures for reporting and responding to an incident*
- 2) *Alert authorities, as appropriate*
- 3) *Report the incident to Beazley Group immediately at:*

tmbclaims@beazley.com

All Cyber losses must be reported as soon as practicable upon knowledge by the insured that a loss has occurred.

Be prepared to give basic information about the location and nature of the incident, as well as steps which have been taken in response to the incident.

- 4) *Report the incident to Alliant Claims Department and your Alliant representative*

SPECIAL NOTE REGARDING PRIVACY NOTIFICATION COSTS:

The policy provides a \$500,000 Aggregate Limit for Privacy Notification Costs. If you utilize a Beazley vendor, the limit is increased to \$1,000,000.

Please contact Beazley for a list of approved vendors.

CYBER FIRST NOTICE OF LOSS FORM

SEND TO: Beazley Group

BY MAIL: 1270 Avenue of the America's, Suite 1200, New York, NY 10020

BY FAX: (546) 378-4039

BY EMAIL: tmbclaims@beazley.com

CC Alliant Claims Department:

ekim@alliant.com , martin.fox-foster@alliant.com and your Alliant representative

Today's Date: _____

Insured's Name & Contact Information

Insured's Name: _____ Point of Contact: _____

Address: _____

Phone #: _____

Broker/Agent's Name & Contact Information

Company Name: Alliant Insurance Services – Claims Point of Contact: Elaine Kim & Martin Fox-Foster

Address: 100 Pine Street, 11th Floor, San Francisco, CA 94111

Phone #: 877-725-7695 Fax #:415-403-1466

Policy Information

Policy Number: _____ Policy Period: _____

Limits of Liability: _____ per _____ agg Self-Insured Retention/Deductible _____

Loss Information

Date of Incident/Claim: _____ Location: _____

Description of Loss: _____

Please list all attached or enclosed documentation: (check if none provided) _____

Name of Person Completing This Form: _____

Signature: _____

A. NOTICE OF CLAIM, LOSS OR CIRCUMSTANCE THAT MIGHT LEAD TO A CLAIM

1. If any **Claim** is made against the **Insured**, the **Insured** shall, as soon as practicable upon knowledge by the **Insured**, forward to the Underwriters through persons named in Item 9.A. of the Declarations written notice of such **Claim** in the form of a telecopy, or express or certified mail together with every demand, notice, summons or other process received by the **Insured** or the **Insured's** representative; provided that with regard to coverage provided under Insuring Agreements I.A. and I.C., all **Claims** made against any **Insured** must be reported no later than the end of the **Policy Period**, in accordance with the requirements of the **Optional Extension Period** (if applicable), or within thirty (30) days after the expiration date of the **Policy Period** in the case of **Claims** first made against the Insured during the last thirty (30) days of the **Policy Period**.
2. With respect to Insuring Agreement I.B. for a legal obligation to comply with a **Breach Notice Law** because of an incident (or reasonably suspected incident) described in Insuring Clause I.A.1 or I.A.2, such incident or reasonably suspected incident must be reported as soon as practicable during the **Policy Period** after discovery by the Insured. For such incidents or suspected incidents discovered by the **Insured** within 60 days prior to expiration of the Policy, such incident shall be reported as soon as practicable, but in no event later than 60 days after the end the **Policy Period**, provided; if this Policy is renewed by Underwriters and covered **Privacy Notification Costs** are incurred because of such incident or suspected incident reported during the 60 day post **Policy Period** reporting period, then any subsequent **Claim** arising out of such incident or suspected incident is deemed to have been made during the **Policy Period**.
3. With respect to Insuring Agreements I.A. and I.C., if during the **Policy Period**, the **Insured** first becomes aware of any circumstance that could reasonably be the basis for a **Claim** it may give written notice to Underwriters in the form of a telecopy, or express or certified mail through persons named in Item 9.A. of the Declarations as soon as practicable during the **Policy Period** of:
 - a. the specific details of the act, error, omission, or **Security Breach** that could reasonably be the basis for a **Claim**;
 - b. the injury or damage which may result or has resulted from the circumstance; and
 - c. the facts by which the **Insured** first became aware of the act, error, omission or **Security Breach**

Any subsequent **Claim** made against the **Insured** arising out of such circumstance which is the subject of the written notice will be deemed to have been made at the time written notice complying with the above requirements was first given to the Underwriters.
4. A **Claim** or legal obligation under section X.A.1 or X.A.2 above shall be considered to be reported to the Underwriters when written notice is first received by Underwriters in the form of a telecopy, or express or certified mail or email through persons named in Item 9.A. of the Declarations of the **Claim** or legal obligation, or of an act, error, or omission, which could reasonably be expected to give rise to a **Claim** if provided in compliance with sub-paragraph X.A.3. above.

(Cyber)



ACE Environmental Risk

**IN THE EVENT OF AN
ENVIRONMENTAL EMERGENCY:**

- 1) *Follow your organization procedures for reporting and responding to an incident***
- 2) *Alert local emergency authorities, as appropriate***
- 3) *Report the incident to ACE Environmental Risk immediately at:***

888-310-9553 or use ACE Alert App

- 4) *Report the incident to Alliant***

Martin Fox-Foster
Assistant Vice President, Claims Advocate-Lead
415-403-1417
415-403-1466 – fax
Martin.Fox-Foster@alliant.com

Be prepared to give basic information about the location and nature of the incident, as well as steps which have been taken in response to the incident. You will be contacted by a trained representative of ACE to discuss further response steps as soon as possible.

DO follow your organization's detailed response plan
DO contact your management as well as appropriate authorities
DO ensure anyone who could come in contact with a spill or release is kept away

DO NOT ignore a potential spill or leak
DO NOT attempt to respond beyond your level of training or certification



ACE ENVIRONMENTAL RISK FIRST NOTICE OF LOSS FORM

SEND TO: ACE Environmental Risk Claims Manager
BY MAIL: ACE USA Claims, P.O. Box 5103, Scranton, PA 18505-0510
BY FAX: (800) 951-4119
BY EMAIL: CasualtyRiskEnvironmentalFirstNotice@chubb.com
CC Alliant Insurance: martin.fox-foster@alliant.com and your Alliant Representative

Today's Date: _____

Notice of: (check all that apply)

- Pollution Incident Potential Claim Other _____
 Third-Party Claim Litigation Initiated

Insured's Name & Contact Information

Company Name: _____ Point of Contact: _____

Address: _____

Phone #: _____

Broker/Agent's Name & Contact Information

Company Name: Alliant Insurance Services - Claims Point of Contact: Martin Fox-Foster

Address: 100 Pine Street, 11th Floor, San Francisco, CA 94111

Phone #: 1-877-725-7695

Policy Information

Policy Number: _____ Policy Period: _____

Limits of Liability: _____ per _____ agg Self-Insured Retention/Deductible _____

Loss Information

Date of Incident/Claim: _____ Location: _____

Claimant Name/Address: _____

Description of Loss: _____

Please list all attached or enclosed documentation: (check if none provided) _____

Name of Person Completing This Form: _____ Signature: _____

VII. REPORTING AND COOPERATION

A. The “insured” must see to it that the Insurer receives written notice of any “claim” or “pollution condition”, as soon as practicable, at the address identified in Item 7.a. of the Declarations to this Policy. Notice should include reasonably detailed information as to:

1. The identity of the “insured”, including contact information for an appropriate person to contact regarding the handling of the “claim” or “pollution condition”;
2. The identity of the “covered location” or “covered operations”;
3. The nature of the “claim” or “pollution condition”; and
4. Any steps undertaken by the “insured” to respond to the “claim” or “pollution condition”. In the event of a “pollution condition”, the “insured” **must also take all reasonable measures to provide immediate verbal notice to the Insurer.**

B. The “insured” must:

1. As soon as practicable, send the Insurer copies of any demands, notices, summonses or legal papers received in connection with any “claim”;
2. Authorize the Insurer to obtain records and other information;
3. Cooperate with the Insurer in the investigation, settlement or defense of the “claim”;
4. Assist the Insurer, upon the Insurer’s request, in the enforcement of any right against any person or organization which may be liable to the “insured” because of “bodily injury”, “property damage”, “remediation costs” or “legal defense expense” to which this Policy may apply; and
5. Provide the Insurer with such information and cooperation as it may reasonably require.

C. No “insured” shall make or authorize an admission of liability or attempt to settle or otherwise dispose of any “claim” without the written consent of the Insurer. **Nor shall any “insured” retain any consultants or incur any “remediation costs” without the prior express written consent of the Insurer, except in the event of an “emergency response”.** (Emergency Response coverage is limited to the first 7 days)

D. Upon the discovery of a “pollution condition”, the “insured” shall make every attempt to mitigate any loss and comply with applicable “environmental law”. The Insurer shall have the right, but not the duty, to mitigate such “pollution conditions” if, in the sole judgment of the Insurer, the “insured” fails to take reasonable steps to do so. In that event, any “remediation costs” incurred by the Insurer shall be deemed incurred by the “insured”, and shall be subject to the “self-insured retention” and Limits of Liability identified in the Declarations to this Policy.



APIP Pollution: Claim Reporting Fact Sheet

This page outlines the steps that should be taken BY YOUR ORGANIZATION, at the time of an environmental incident, to assure that the Pollution coverage offered with ACE through APIP is not jeopardized. We ask that you review this document and provide copies to all appropriate colleagues in advance of a possible incident.

Coverage under Pollution policies is dependent on specific compliance with claims and loss reporting; *especially* in the case of “Emergency Response” expenses that you may incur to address a pollution loss. For these “Emergency Response” expenses there is a strict seven (7) day window, following discovery of a “Pollution Condition” by the “Insured”, after which reasonable expenses will not be reimbursed unless the carrier has given prior consent. It is **extremely important** pollution exposures be reported **immediately**; and clearly no later than seven (7) days.

Although we ask that you fully review your policy and all its’ Terms and Conditions, we have highlighted some key sections of the ACE policy which address the **Emergency Response** issue and the reporting provisions:

III. DEFENSE AND SETTLEMENT C. The “insured” shall have the right and duty to retain a qualified environmental consultant to perform any investigation and/or remediation of any “pollution condition” covered pursuant to this Policy. The “insured” must receive the written consent of the Insurer prior to the selection and retention of such consultant, except in the event of an “emergency response”. Any costs incurred prior to such consent shall not be covered pursuant to this Policy, or credited against the “self-insured retention”, except in the event of an “emergency response”.

V. DEFINITIONS

F. “Emergency response” means actions taken and reasonable “remediation costs” 7 days following the discovery of a “pollution condition” by an “insured” in order to abate or respond to an imminent and substantial threat to human health or the environment arising out of such “pollution condition”.

T. “Pollution condition” means: **2.** The discharge, dispersal, release, escape, migration, or seepage of any solid, liquid, gaseous or thermal irritant, contaminant, or pollutant, including smoke, soot, vapors, fumes, acids, alkalis, chemicals, hazardous substances, hazardous materials, or waste materials, on, in, into, or upon land and structures thereupon, the atmosphere, surface water, or groundwater.

V. “Remediation costs” means reasonable expenses incurred to investigate, quantify, monitor, mitigate, abate, remove, dispose, treat, neutralize, or immobilize “pollution conditions” to the extent required by “environmental law”.

VII. REPORTING AND COOPERATION

A. The “insured” must see to it that the Insurer receives written notice of any “claim” or “pollution condition”, as soon as practicable, at the address identified in Item **7.a.** of the Declarations to this Policy. Notice should include reasonably detailed information as to: **1.** The identity of the “insured”, including contact information for an appropriate person to contact regarding the handling of the “claim” or “pollution condition”;

B. The “insured” must: **1.** As soon as practicable, send the Insurer copies of any demands, notices, summonses or legal papers received in connection with any “claim”;

C. No “insured” shall make or authorize an admission of liability or attempt to settle or otherwise dispose of any “claim” without the written consent of the Insurer. Nor shall any “insured” retain any consultants or incur any “remediation costs” without the prior express written consent of the Insurer, except in the event of an “emergency response”. (Emergency Response coverage is limited to the first 7 days)

D. Upon the discovery of a “pollution condition”, the “insured” shall make every attempt to mitigate any loss and comply with applicable “environmental law”. The Insurer shall have the right, but not the duty, to mitigate such “pollution conditions” if, in the sole judgment of the Insurer, the “insured” fails to take reasonable steps to do so. In that event, any “remediation costs” incurred by the Insurer shall be deemed incurred by the “insured”, and shall be subject to the “self-insured retention” and Limits of Liability identified in the Declarations to this Policy.

The bottom line is if there is a Pollution event, please contact us **immediately** so that we can report the Incident and properly protect coverage for these unexpected events; please refer to the Claims Reporting form for proper contact information.

NOTICE:

- 1. THE INSURANCE POLICY THAT YOU ARE APPLYING TO PURCHASE IS BEING ISSUED BY AN INSURER THAT IS NOT LICENSED BY THE STATE OF CALIFORNIA. THESE COMPANIES ARE CALLED “NONADMITTED” OR “SURPLUS LINE” INSURERS.**
- 2. THE INSURER IS NOT SUBJECT TO THE FINANCIAL SOLVENCY REGULATION AND ENFORCEMENT THAT APPLY TO CALIFORNIA LICENSED INSURERS.**
- 3. THE INSURER DOES NOT PARTICIPATE IN ANY OF THE INSURANCE GUARANTEE FUNDS CREATED BY CALIFORNIA LAW. THEREFORE, THESE FUNDS WILL NOT PAY YOUR CLAIMS OR PROTECT YOUR ASSETS IF THE INSURER BECOMES INSOLVENT AND IS UNABLE TO MAKE PAYMENTS AS PROMISED.**
- 4. THE INSURER SHOULD BE LICENSED EITHER AS A FOREIGN INSURER IN ANOTHER STATE IN THE UNITED STATES OR AS A NON-UNITED STATES (ALIEN) INSURER. YOU SHOULD ASK QUESTIONS OF YOUR INSURANCE AGENT, BROKER, OR “SURPLUS LINE” BROKER OR CONTACT THE CALIFORNIA DEPARTMENT OF INSURANCE AT THE FOLLOWING TOLL-FREE TELEPHONE NUMBER: 1-800-927-4357. ASK WHETHER OR NOT THE INSURER IS LICENSED AS A FOREIGN OR NON-UNITED STATES (ALIEN) INSURER AND FOR ADDITIONAL INFORMATION ABOUT THE INSURER. YOU MAY ALSO CONTACT THE NAIC’S INTERNET WEB SITE AT WWW.NAIC.ORG**
- 5. FOREIGN INSURERS SHOULD BE LICENSED BY A STATE IN THE UNITED STATES AND YOU MAY CONTACT THAT STATE’S DEPARTMENT OF INSURANCE TO OBTAIN MORE INFORMATION ABOUT THAT INSURER.**
- 6. FOR NON-UNITED STATES (ALIEN) INSURERS, THE INSURER SHOULD BE LICENSED BY A COUNTRY OUTSIDE OF THE UNITED STATES AND SHOULD BE ON THE NAIC’S INTERNATIONAL INSURERS DEPARTMENT (IID) LISTING OF**

**APPROVED NONADMITTED NON-UNITED STATES INSURERS.
ASK YOUR AGENT, BROKER, OR “SURPLUS LINE” BROKER TO
OBTAIN MORE INFORMATION ABOUT THAT INSURER.**

**7. CALIFORNIA MAINTAINS A LIST OF APPROVED SURPLUS
LINE INSURERS. ASK YOUR AGENT OR BROKER IF THE
INSURER IS ON THAT LIST, OR VIEW THAT LIST AT THE
INTERNET WEB SITE OF THE CALIFORNIA DEPARTMENT OF
INSURANCE: WWW.INSURANCE.CA.GOV.**

**8. IF YOU, AS THE APPLICANT, REQUIRED THAT THE
INSURANCE POLICY YOU HAVE PURCHASED BE BOUND
IMMEDIATELY, EITHER BECAUSE EXISTING COVERAGE WAS
GOING TO LAPSE WITHIN TWO BUSINESS DAYS OR BECAUSE
YOU WERE REQUIRED TO HAVE COVERAGE WITHIN TWO
BUSINESS DAYS, AND YOU DID NOT RECEIVE THIS DISCLOSURE
FORM AND A REQUEST FOR YOUR SIGNATURE UNTIL AFTER
COVERAGE BECAME EFFECTIVE, YOU HAVE THE RIGHT TO
CANCEL THIS POLICY WITHIN FIVE DAYS OF RECEIVING THIS
DISCLOSURE. IF YOU CANCEL COVERAGE, THE PREMIUM WILL
BE PRORATED AND ANY BROKER’S FEE CHARGED FOR THIS
INSURANCE WILL BE RETURNED TO YOU.**

Date: _____

Insured: _____

ALLIANT INSURANCE SERVICES

POLICYHOLDER DISCLOSURE NOTICE OF TERRORISM INSURANCE COVERAGE

May 26, 2016

Named Insured: **University of California Hastings College of Law**

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

You are hereby notified that under the Terrorism Risk Insurance Act of 2002, as amended, you have a right to purchase insurance coverage for losses resulting from acts of terrorism, *As defined in Section 102(1) of the Act, as amended*: The term "act of terrorism" means any act that is certified by the Secretary of the Treasury, in consultation with the Secretary of Homeland Security 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 States, or outside the United States in the case of certain air carrier or vessel or the premises of a United States mission; and 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. Any coverage you purchase for "acts of terrorism" shall expire at 12:00 midnight December 31, 2020, the date on which the TRIA Program is scheduled to terminate, or the expiry date of the policy whichever occurs first, and shall not cover any losses or events which arise after the earlier of these dates.

YOU SHOULD KNOW THAT COVERAGE PROVIDED BY THIS POLICY FOR LOSSES CAUSED BY CERTIFIED ACTS OF TERRORISM IS PARTIALLY REIMBURSED BY THE UNITED STATES 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 THIS FORMULA, THE UNITED STATES PAYS 85% THROUGH 2015; 84% BEGINNING ON JANUARY 1, 2016; 83% BEGINNING ON JANUARY 1, 2017; 82% BEGINNING ON JANUARY 1, 2018; 81% BEGINNING ON JANUARY 1, 2019 AND 80% BEGINNING ON JANUARY 1, 2020; OF COVERED TERRORISM LOSSES EXCEEDING THE STATUTORILY ESTABLISHED DEDUCTIBLE PAID BY THE INSURER(S) PROVIDING THE COVERAGE. YOU SHOULD ALSO KNOW THAT THE TERRORISM RISK INSURANCE ACT, AS AMENDED, CONTAINS A USD100 BILLION CAP THAT LIMITS U.S. 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 USD100 BILLION. IF THE AGGREGATE INSURED LOSSES FOR ALL INSURERS EXCEED USD100 BILLION, YOUR COVERAGE MAY BE REDUCED.

THE PREMIUM CHARGED FOR THIS COVERAGE CAN BE REQUESTED BELOW AND WILL NOT INCLUDE ANY CHARGES FOR THE PORTION OF LOSS COVERED BY THE FEDERAL GOVERNMENT UNDER THE ACT.

SELECTION OR REJECTION OF TERRORISM INSURANCE COVERAGE

WHAT YOU NEED TO DO NOW:

PLEASE PLACE AN "X" IN ONE OF THE BOXES BELOW AND RETURN THIS FORM TO YOUR INSURANCE REPRESENTATIVE.

	I am interested in receiving a quote for Terrorism coverage as required to be offered under the Act. Please provide me with a quote.
	I decline to purchase the Terrorism coverage as required to be offered under the Act.

Policyholder/applicant signature

Print Name

Date

University of California Hastings College of Law

ALLIANT PROPERTY INSURANCE PROGRAM (APIP)

The largest single property placement in the world... a significant advantage for members



Formed in 1993 to meet the unique property insurance needs faced by public entities, APIP has grown from 65 members in one state and \$600 million in total insurable values (TIV) to nearly 8,000 members in 45 states and more than \$400 billion in TIV.

ALLIANT PROPERTY INSURANCE PROGRAM (APIP)

The program's tremendous growth is a result of highly competitive terms, comprehensive coverage and, most importantly, working closely with members to get their claims paid in a timely manner. In recent years, one of the primary marketing focuses of APIP has been on groups of public entities that jointly purchase their insurance. These "pools," or joint powers authorities (JPAs), have found that APIP coverage is significantly broader and typically 10% to 20% less expensive than similar placements offered by competitors.

APIP FEATURES

- Broad insuring agreement
- Coverage is not confined to a schedule; rather the policy provides coverage for all property of every description of an insurable nature—both real and personal—of the insured. Coverage also includes property of others in the care, custody, or control of the insured for which the insured is liable or under obligation to keep insured wherever located in the United States.
- Replacement cost for physical damage, including comprehensive and collision damage as an option for automobiles
- Automatic acquisition of new locations, which allows entities to grow without having to wait for underwriting approval
- Blanket fine arts coverage (if scheduled)
- Municipal bond and tax revenue interruption coverage
- Course of construction coverage, including delay in start-up
- Property appraisals for all real property over \$5 million
- Boiler and Machinery coverage is included in the program
- Access to Alliant's proprietary OASYS-Net software system

APIP subscribers are an experienced group of highly qualified worldwide insurers and reinsurers. The program offers per occurrence limits up to \$1 billion. Because of its large size, APIP offers members the best available pricing and access to large earthquake, flood, and wind limits with a carefully detailed spread of risk. In addition, Alliant leverages large premiums with the markets to obtain the best possible pricing and coverage terms.

APIP BOILER AND MACHINERY

The Boiler and Machinery program, with limits up to \$100 million, is included in APIP. The program partners with major boiler and machinery authorized inspection agencies for both jurisdictional and consultative services. It provides board-certified engineering expertise in machinery, equipment, electronics, and HVAC through a nationwide field network.

To manage a wide range of critical exposures, the program offers electrical loss prevention surveys, infrared thermography, industry and technical consultation, key account service plan, transformer oil gas analysis, boiler operation and maintenance training, and boiler and pressure vessel inspection services for non-code vessels (and vessels located in jurisdictions that do not require inspections).

ENVIRONMENTAL LIABILITY

When unaddressed, environmental issues can have catastrophic effects on the physical and financial infrastructure of an organization. APIP offers pollution liability protection against the broad range of environmental risks facing public entities. A single comprehensive policy includes coverage for premises, covered operations, transportation, bodily injury/property damage from pollution conditions, pollution clean-up, mold, and both above-ground storage tanks (ASTs) and underground storage tanks (USTs). Our team of dedicated underwriters has extensive experience in environmental risk and a strong understanding of the unique needs of public entities.

CYBER RISK

When unchecked, cyber exposures can have a significant, negative impact on an organization's operations. APIP's cyber risk program provides a layer of protection against the ever-changing landscape of technology-related risks. The program is managed by a specialist that will help you assess the exposures that threaten your organization and deliver coverage that matches your unique risk profile. With cyber attacks looming larger than ever, cyber risk insurance is essential to the health of your organization.

OASYS-NET

OASYS-Net is the proprietary software program that Alliant uses to access property schedules, claims, vendor certificates, and place certificate requests via the Internet. It allows clients to update their property locations, report a claim, or request a certificate of insurance. Client input is reviewed and, once accepted, the changes become a part of the OASYS-Net database.

ALLIANT INSURANCE SERVICES: THE PARTNER YOU DESERVE.

With a history dating back to 1925, Alliant Insurance Services is one of the nation's leading distributors of diversified insurance products and services. Operating through a national network of offices, Alliant provides property and casualty, workers' compensation, employee benefits, surety, and financial products and services to more than 26,000 clients nationwide.

www.alliant.com

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Alliant»Connect

The power of Alliant at your fingertips



Your business is a dynamic enterprise, moving with speed and agility to meet the ever-changing needs of your clients, employees, and industry. Decisions are made in real time and information must be accessed at a moment's notice. With AlliantConnect, convenience, security, and service are always at your fingertips and waiting for policy information is never part of the equation.

AlliantConnect is a customized online portal providing instant access to all of your insurance information. With its simple interface and intuitive design, you can manage your documents, access informational materials, stay up to date on policy changes, pay premiums, and interact with a service professional. Simply stated, it's a central hub where you can manage all aspects of your insurance policy.

AlliantConnect seamlessly melds the power of Alliant with the convenience of a secure online portal by empowering you to:


- **Access** all of your insurance information via a transparent and easy-to-use online interface
- **Manage** your documents, including certificates of insurance, in real time
- **Learn** through a comprehensive library of fact sheets, white papers, and presentations
- **Watch** training videos designed to help you better manage risk
- **Locate** a summary of your policy changes
- **Track** important dates and announcements
- **Pay** your premiums quickly and easily using an integrated payment component
- **Communicate** quickly and easily with your Alliant service team

PUT YOUR POLICY IN YOUR POCKET

With AlliantConnect Mobile, your policy follows you wherever business takes you. You enjoy 24/7 on-the-go-access to insurance information in a secure mobile platform through the following features:

- **One-click "Help" button** that will notify the entire service team if you experience an urgent issue
- **On-demand access** to policy documents, schedules, and endorsements
- **Offline access to documents** once they are downloaded
- **Contact information** of the entire service team

With AlliantConnect, you can rest assured that your information is stored in a secure location.



YOUR INFORMATION IS ALWAYS SECURE

With AlliantConnect, you can rest assured that all your information is secure, including payment transactions that are protected with the highest encryption levels possible. In addition, all data is secured to the appropriate account teams, our database and all backups are stored in a highly encrypted format, and all document changes are archived for audit history. As a company that insures clients against cyber risks, Alliant understands the importance of protecting client information in an online environment and how to maximize the security of your information.

REAL PEOPLE, ALWAYS WITHIN REACH

We believe that technology is only as successful as the people behind it. This is why we designed AlliantConnect not as a means of removing people from the process, but to bring them closer. In addition to accessing a service professional via the online portal, we also offer a toll-free helpline, where you will have direct access to the AlliantConnect support team. Simply give

us a call, let us know you are an AlliantConnect client, and we will be on the phone to help you get the most out of your account. AlliantConnect offers value and convenience by combining cutting-edge technology, optimum security, and personal service.

ALLIANT INSURANCE SERVICES: THE PARTNER YOU DESERVE.

With a history dating back to 1925, Alliant Insurance Services is one of the nation's leading distributors of diversified insurance products and services. Operating through a national network of offices, Alliant provides property and casualty, workers' compensation, employee benefits, surety, and financial products and services to more than 26,000 clients nationwide.

www.alliant.com

CONTACT

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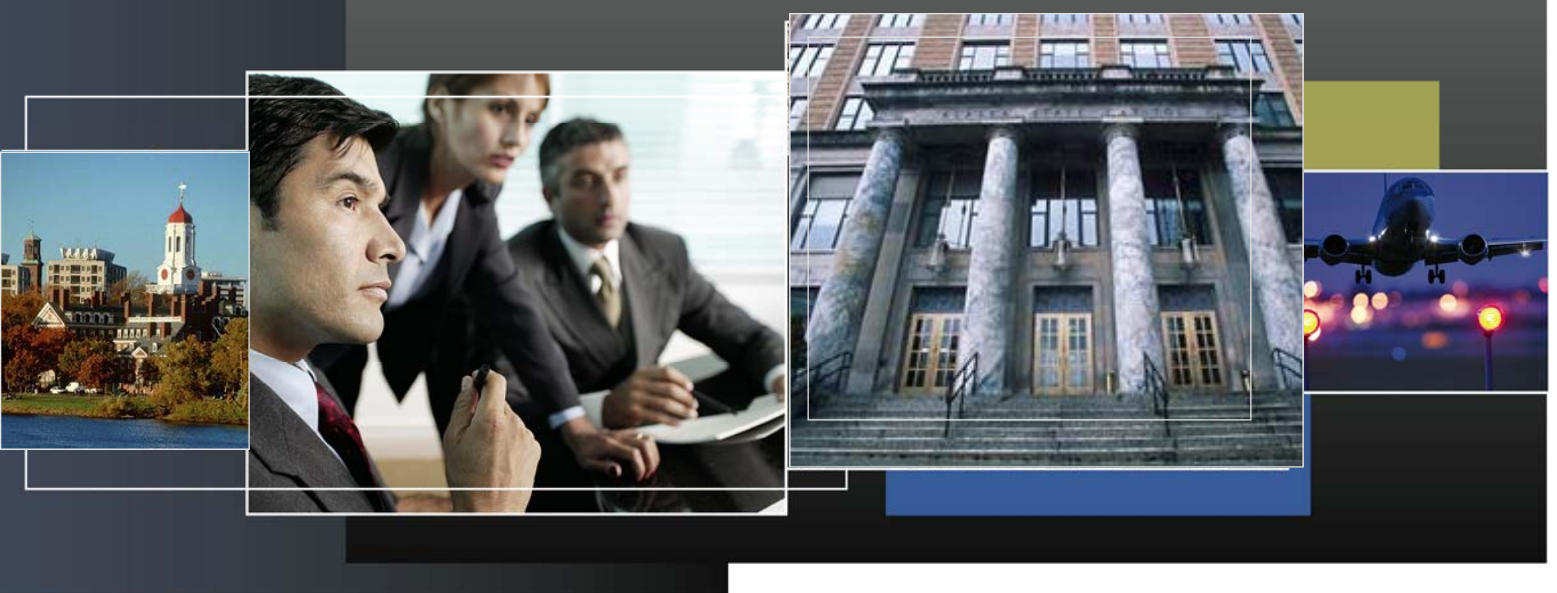
Risk Control and Safety Services

risk control

APIP

Alliant Property Insurance Program

MEETING THE UNIQUE RISK CONTROL NEEDS OF PUBLIC ENTITIES AND NON-PROFITS



We understand that managing risk is essential to your organization's success.

Accidents and avoidable incidents that result in financial loss are costly to your organization in many ways. They mean lost time, damaged property, diversion of resources, and possible legal and medical expenses. Accidents and insurance claims can also reflect poorly on a public entity or non-profit organization and its leaders.

Alliant Insurance Services Risk Control Consulting (RCC) Practice is comprised of Alliant consultants and a strategically placed network of subject matter experts nationwide. Our consultants' primary mission is to assist

members of the Alliant Property Insurance Program (APIP) in the identification and reduction of risk exposures.

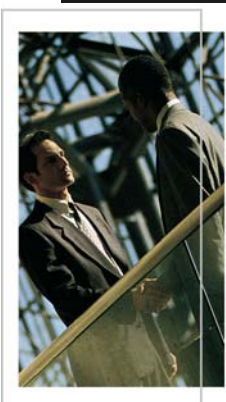
SPECIALIZED KNOWLEDGE

Our staff averages over 15 years of experience and carries a variety of credentials and certifications to include Professional Engineer, Certified Safety Professional, Industrial Hygienist, Certified Fire Prevention Officer, Associate in Risk Management and others. Most of our consultants maintain a four year college degree, many have post graduate degrees, and all are dedicated to continuing professional development. This helps ensure that we bring the most relevant and up to date risk solutions to our APIP members.

APIP members may access Alliant Risk Control Consulting in any of the following ways:

- Risk Control Consulting's Dedicated Email: riskcontrol@alliant.com
- Risk Control Solutions Hotline: (888) 737-4752
- Property Protection Impairment: (800) 789-5655

How to Choose the Right Risk Control Consultant



When seeking a qualified risk control consultant, you should ask:

- Does the consultant have diverse public entity and non-profit experience that includes safeguarding your type(s) of operations and assets?
- Does the consultant have the resources and availability to do the job when you need it and for your intended use?
- Do they tell you what you need to know to control risk?
- Does the consultant have a team of experts who is able to help you if there is a regulatory citation, a serious claim, or challenging litigation?
- Each of these questions can be answered yes by Alliant's Risk Control Consulting practice.

Our services include:

- **Risk Assessment**

We assess your exposures by providing C.O.P.E. (construction, occupancy, protection, and exposure) and natural disaster and catastrophe data, risk quality ratings, recommendations, and facility photographs.

- **Risk Mitigation**

We help you understand the magnitude of your property risks so you can allocate the appropriate resources to mitigate them.

- **Hazard Analysis**

We analyze significant hazards and exposures that are unique to public entities and non-profit organizations. Typically this analysis includes loss estimates, evaluation of protection, and detailed hazard-specific recommendations.

- **Loss Prevention and Environmental Health and Safety Program Analysis**

A detailed analysis of an organization's environmental health and safety, and property construction loss control programs is provided, including management of vendors and contractors, pre-emergency planning, and maintenance.

- **Continuity Planning**

Since various natural and man-made disasters can disrupt the operations of public entities or non-profit organizations, we help clients identify risk, determine potential organizational and customer impacts, and develop disaster plans that ensure survival, protect assets, and mitigate recovery costs.

- **Infrared Surveys**

To prevent unscheduled maintenance, decrease operational interruptions, and improve energy usage of electrical equipment and facilities, we offer infrared testing (which detects electrical problems such as faulty fuses, loose wires, and overloaded circuits).

- **Fire Prevention and Property Conservation**

Our risk control professionals have advanced skills in property conservation and hands-on experience with fire protection systems. Consulting services include:

- **Storage**—Assist clients in selecting the best storage and warehouse methods to help reduce environmental damage.

- **Sprinkler System Analysis**—Evaluate design of existing and new sprinkler systems for adequacy in protection against fire.

- **Pre-Construction**—Help clients choose new sites and review building plans to limit potential deficiencies.

- **Security**—Develop security policies and procedures to protect life and property.

- **Plan Review**—Assess building plans to ensure that fire protection, life safety and security designs meet specifications, insurance, and Authority Having Jurisdiction (AHJ) requirements.

- **Hot Work**

Provide assistance to ensure that proper fire protection procedures are in place when facilities and/or contractors conduct work that emit or require a source of ignition such as grinding, use of torches for cutting and brazing, arc or heli arc welding, etc. Hot work permits are available by contacting RCC.

- **Fire Protection Impairment**

Notify RCC at (800) 789-5655 when you will be compromising fire protection systems for maintenance, construction or repair. Alliant will follow up within 24 hours to ensure that fire protection systems have been restored.

- **Workers' Compensation Services**

To create a safer, healthier workplace environment—and thereby lower workers' compensation costs—we work with clients to reduce the workplace hazards and organizational risk factors that cause or contribute to employee injuries and illnesses. Specialized areas of service include:

- **Total Cost of Risk**—Through a proprietary process, our consultants conduct an assessment and develop client business plans targeting cost drivers and cost reduction to properties.

- **Ergonomics**—Provide clients with workplace studies, process evaluations, office evaluations, and delivery of education and training to managers and supervisors.

- **Industrial Hygiene**—Help clients recognize, evaluate, and control noise, airborne contaminants or energy sources that cause work-related illnesses.

- **Fleet Safety Analysis**

Research-based transportation safety programs include full safety assessments, fleet training, accident investigation, and other regulatory audits.

- **Training Services**

Comprehensive training services are tailored to your organization's specific risk exposure and are presented in participant-only or train-the-trainer formats. Topics include:

- Arson Prevention
- Property Loss Control Training
- Business Interruption Planning – Business Continuity and Disaster Recovery
- Preventing Slips, Trips, and Falls
- Water Intrusion and Mold Prevention
- Workplace Security
- Crisis Management Communication
- Accident Investigation and Root Cause Analysis
- Chemical Hazards
- Confined Spaces
- Construction Safety
- Electrical Safety
- Ergonomics and Material Handling
- Defensive Driving
- Machine Guarding
- OSHA Compliance
- Office and Classroom Safety
- ... and many more

See the attached addendum for our online streaming videos available to APIP members.

- **Webinars and Newsletters**

See the attached 2015-16 webinar schedule.

On-line seminars, or “webinars,” and newsletters are used to train and communicate with clients on emerging issues.

Experienced Risk Control Professionals

To meet the risk prevention and safety needs of public entity and non-profit clients across the United States, we bring together highly experienced local consultants in major markets nationwide. This ensures that each consultant understands the loss control and regulatory issues unique to that specific market, enabling us to provide the appropriately skilled staff when and where they are needed.

With an average of 15 years of experience in their respective fields, our consultants have the specialization needed to provide the right solutions for your unique exposures and needs.

Peer Review

To ensure that all report deliverables provided by Alliant Risk Control Consulting meet best practices, every deliverable we prepare is submitted for peer review by a Certified Safety Professional (CSP). This procedure validates our findings and conclusions while ensuring the feasibility of our recommendations.

Alliant Insurance Services, Inc.
1301 Dove Street ■ Suite 200 ■ Newport Beach, CA 92660
(949) 260-5042 Phone ■ (949) 809-1466 Fax ■ www.alliant.com

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Risk Control Consulting Online Streaming Safety Videos

Driving Safety

- Accidents: "It Won't Happen to Me?"
- Bad Weather Driving
- Bucket Truck Safety
- Backing, Parking and Intersections
- Bobtailing and Jackknifing Safety for CDL Drivers
- Crash Course: Reporting Vehicle Incidents
- Defensive Driving: A Supervisor's Guide
- Defensive Driving: I Could See It Coming
- Defensive Driving: When Good Weather Goes Bad
- Distracted Driving: Real Accidents, Real Stories
- Distracted Driving: Real Accidents, Real Stories II
- Driving Distractions of the Everyday Driver
- Driving Distractions of the Professional Driver
- Driving in Extreme Weather Conditions for CDL Drivers
- Driving Safely in the Hazards of Winter
- Driving Safely: Reason on The Road
- Drowsy Driving: It's Your Wake Up Call
- Drug and Alcohol Testing Requirements for the DOT
- Dying to Get There...The Result of Reckless Driving
- Federal Motor Carrier Safety Administration 2010: Safety, Compliance and Accountability
- Flatbed Truck Safety Training
- High Speed Collisions: The Effects on the Brain
- Hours of Services Training for CDL Drivers
- Pre Trip Inspection: A Circle of Safety
- Preventing Slips, Trips and Falls in the Transportation Industry
- Road Rage: Highway Havoc
- Road Rage: Changing Your Attitude
- Safe Backing Maneuvers for CDL Drivers
- Safe Braking Techniques for CDL Drivers
- Safely Navigating Intersections for CDL Drivers
- Safe Use and Operation of Utility Carts
- The Ultimate Driving Challenge
- Tips and Techniques for Safer Driving
- The Extreme Driving Quiz
- The Safe Loading and Unloading of Delivery Vehicles
- The Safe Operation and Use of Motor Vehicles
- Trucks, Vans and Other Delivery Vehicles
- Vehicle Safety: Being Prepared
- Why We Drive the Way We Do
- Working Safely with Snow Plows and Other Snow Removal
- Utility Cart Safety

Health and Safety

- Back Injury Prevention through Proper Lifting Techniques
- Back Safety: Exercise and Ergonomics
- Back Safety: Proper Lifting Procedures
- Bloodborne Pathogens: Exposure Control
- Bloodborne Pathogens Training
- Ergonomics: Doing Your Part
- Ergonomics for the 21st Century
- Ergonomics: What's Wrong with This Picture?
- Ergonomic Task Analysis and Safety
- Eye Protection

- Good Housekeeping for a Manufacturing Environment
- Good Housekeeping: Keeping Your Workplace Safe
- Hand Injury Prevention
- Hearing Conservation: Testing, Training and Protection
- Heat Stress: Real Accidents, Real Stories
- Heat Stress: Staying Healthy, Working Safely
- Housekeeping
- Hypothermia Prevention
- Lifting and Stretching: A Back Owner's Guide
- Office Ergonomic Principals
- Personal Protective Equipment: Your Last Line of Defense
- Personal Protective Equipment
- Personal Protective Equipment: Awareness and Attitude
- Personal Protective Equipment: Real Accidents, Real Stories
- Preventing Hand and Wrist Injuries
- Preventing Slips, Trips and Falls
- Protect Yourself Against Bloodborne Pathogens
- Protecting Your Hearing
- Respirator Fit Testing and Training
- Respiratory Protection: Maintaining and Using Respirators
- Safe Lifting for Office Workers
- Slips, Trips and Falls: Preventing Accidents
- Slips, Trips and Falls: Stranger Than Friction
- The Cause and Effect of Slips, Trips and Falls
- The Elements of a Successful Ergonomics Program
- The Horror of Losing an Eye
- The Horrors of Losing a Hand
- Training on the Selection and Use of Respirators
- Understanding Musculoskeletal Disorders
- Working Safely in Cold Weather
- Workplace Safety Investigators: Bloodborne Pathogens

Security, Fire and Emergency Management

- A Good Samaritan's Guide to First Aid
- An Overview of an Incident Command System
- Bomb Threat Awareness
- Disaster Preparedness: Hurricanes, Tornadoes and Floods
- Earthquake Preparedness and Safety
- Emergency Evacuation: Plan, Process and Procedures
- Emergency First Aid
- Emergency Preparedness: An Employee's Responsibility
- Emergency Preparedness: A Supervisor's Role
- Emergency Preparedness: Knowing What to Do
- Emergency Preparedness: The Chemical and Biological Threat
- Fire Extinguishers: Ready to Respond
- Fire Extinguisher Training: The PASS Procedure
- Managing the Anger to Prevent the Violence
- Taking Control of Workplace Violence
- The Safe Operation and Use of Fire Extinguishers
- Why Dogs Attack
- Workplace Violence: The Myths and the Mystery
- Workplace Violence: Threat Detection



Risk Control Consulting Online Streaming Safety Videos

OSHA Compliance

- Asbestos Safety and Awareness
- Basics of Working with Electricity
- Bloodborne Pathogens: Exposure Control
- Bloodborne Pathogens Training
- Chemicals, Supplies & Equipment: Safety for Custodial Services and Maintenance Personnel
- Confined Space Entry Training
- Confined Space: Risk and Responsibilities
- Carbon Monoxide: Safety and Awareness
- Electrical Arc Flash Safety
- Electrical Safety Basics
- Elements of a Successful Ergonomics Program
- Ergonomics: Doing Your Part
- Ergonomics for the 21st Century
- Ergonomic Task Analysis and Safety
- Ergonomics: What's Wrong with this Picture?
- Fall Protection: Preparation, Application & Safety
- Flammable Liquid Safety
- Forklift Operator Safety and Training
- Forklift Safety
- Forklift Safety: Real Accidents, Real Stories
- Forklift Safety: The Experienced Operator
- Forklift Safety: The Triangle of Stability
- Forklift Safety: What's Wrong with This Picture?
- Hazard Communication: It's Your Right to Know
- Hazard Communication: KHAZ Talk Radio
- Hazard Communication: Real Accidents, Real Stories
- Hazard Communication: Satisfying the OSHA Standard
- Hazard Communication: Working Safely with Chemicals
- Hazardous Materials: Spills and Cleanup
- HAZWOPER: Identification of Hazardous Materials
- HAZWOPER: On Site Operations & Safety Considerations
- HAZWOPER Orientation
- HAZWOPER: Personal Protective Equipment
- HAZWOPER: Procedures for Donning, Doffing and Decontamination
- HAZWOPER: Procedures for Medical Surveillance
- HAZWOPER: Respiratory Protection
- HAZWOPER: Site Safety Plans, Instructions & Procedures
- Hearing Conservation: Testing, Training and Protection
- Heat Stress: Staying Healthy, Working Safely
- Hexavalent Chromium Safety
- Housekeeping
- Hydrogen Sulfide Safety Training
- Hypothermia Prevention
- Ladder Safety
- Lead Safety
- Lifting Safely: Cranes, Chains, Slips & Hoists
- Lockout/Tagout Safety
- Lockout/Tagout Safety for Authorized Employees
- Lockout/Tagout Safety for Affected Employees
- Lockout/Tagout Safety: Process, Policy and Procedures
- Machine Guards: Safety and Responsibility
- Machines, Operators and Guides: Real Accidents, Real

Stories

- New Employee Orientation
- New Employee Safety and Orientation Training
- New Rules: OSHA Log 300
- Office Ergonomic Principals
- Order Picker Safety
- Overhead Crane Safety
- Personal Protective Equipment
- Personal Protective Equipment: Awareness & Attitude
- Powered Pallet Jack Safety
- Protect Yourself Against Bloodborne Pathogens
- Protecting Your Hearing
- Recognition and Remediation of Toxic Mold
- Respirator Fit Testing and Training
- Respirator Protection: Maintaining & Using Respirators
- Safe Handling, Storage and Use of Compressed Gas Cylinders
- Safe Operation and Use of Hand & Power Tools
- Safety Operation and Use of Forklifts
- Safe Operation and Use of Pneumatic Tools
- Safety Awareness: Real Accidents, Real Stories
- Safety Awareness II: Real Accidents, Real Stories
- The Safe Operation and Use of Aerial Lifts
- The Safe Operation and Use of Portable Grinders
- Training on the Selection and Use of Respirators
- Understanding and Working Safely with Electricity
- Understanding Musculoskeletal Disorders
- Understanding the Principles of Machine Guarding
- Working Safely with Chemicals
- Working Safely with Scaffolds and Ladders

Behavioral Based Safety

- Accident Causes & Prevention: Identifying Unsafe..
- Accident Investigation: Who, What, Where, Why & How
- A Million Excuses
- An Effective Safety Committee
- In the Blink of an Eye
- Job Safety Analysis Training
- New Employee Orientation
- Safety Awareness: The Most Horrifying Accidents
- Safety Behavior: Reducing Unsafe Acts
- Safety Guidelines for Every Employee
- The Top 25 OSHA Violations

Contractor and Construction

- Back Safety for the Contractor
- Trenching and Shoring: Meeting the Requirements
- Backhoe Safety: Inspection and Walk Around
- Backhoe Operator's Safety and Responsibility
- The Safe Operation and Maintenance of Dump Trucks
- Job Safety and Worker Orientation
- Job Safety Analysis: Step by Step
- Jobsite Safety Inspection
- OSHA's Inspection and Citation Process
- Good Housekeeping on the Jobsite
- Power Tool Safety



Risk Control Consulting Online Streaming Safety Videos

Contractor & Construction (continued)

- Temporary Electricity Safety
- Lockout/Tagout: Taking Control
- Welding and Cutting Safety
- Aerial Work Platform Safety
- An Overview of Crane Safety
- Crane Rigging Safety
- Mobile Crane Setup
- Mobile Crane Capacities
- Demolition Safety
- Highway Work Zone Safety
- Stairways, Ladders and Safety
- Controlling Your Exposure to Silica
- Cut Off Saw Safety
- Flagger Safety and Traffic Control
- Hot Mix Hazards and Safety
- Driver's Safety Refresher For Trucks In the Construction Industry
- Loading, Hauling and Unloading Construction Equipment Safety
- Pile Driving Safety
- Proper Lifting, Carrying and Manual Handling of Materials
- Skid Steer Loader Safety
- The Safe Operation and Use of Welding and Cutting Equipment
- Trenching and Shoring: Understanding Excavation Safety
- Vehicle Safety Belts
- Welding Safety: The Health Hazards
- Spanish Phrases for Safety: Personal Protective Equipment
- Spanish Phrases for Safety: Fall Protection
- Back Safety for Drywall Workers: Stretch & Flex
- Spanish Phrases for Safety: Job Site Safety
- Spanish Phrases for Safety: Important Interactions
- Electrical Safety for the Construction Worker
- The Proper Inspection and Use of Scaffolds
- Trenching and Shoring: The Competent Person
- Trenching and Shoring: Soil Classification
- Drywall Worker Safety: Working Safely with Stilts

Groundskeeping Safety

- WSI: Groundskeeping Safety
- Landscaping Equipment: Safety and Maintenance
- The Safe Use and Operation of Utility Carts
- Chainsaw Safety
- Tree Trimming Safety
- The Safe Operation of Commercial Lawn Mowers
- Utility Cart Safety
- Killer Bees, Wasps and Spiders
- The Safe Operation and Use of Tractors
- Mosquitoes: What You Need to Know About the West Nile Virus
- Reducing the Effects of Storm Water Runoff
- Pesticide Safety
- Chainsaw Safety Basics

- Chainsaw Safety: Real Accidents, Real Stories
- Tree Trimming Safety: Avoiding the Hazards...
- The Safe Operation and Use of Chainsaws

Hospitality and Restaurants

Titles Include: Shuttle Driver, Valet, Food Service, Hotel Safety and Security, Casino Safety Basics

Human Resources

Over 20 Titles

Retail Safety

Videos address use of a baler, box cutters, safe lifting, c-store safety and security, exercise and ergonomics

Sanitation

15 Titles Including: Roll Offs, Side Loaders, Front & Rear Loaders, Driver Safety, Pre-Trip Inspection

Security and Emergency Preparedness

- Emergency Preparedness: An Employee's Responsibility
- Emergency Preparedness: A Supervisor's Role
- Emergency Preparedness: Knowing What to Do
- Emergency Evacuation: Plan, Process & Procedures
- Emergency First Aid
- Emergency Preparedness: The Chemical & Biological Threat
- Bomb Threat Awareness
- Disaster Preparedness: Hurricanes, Tornadoes & Floods
- Earthquake Preparedness and Safety
- An Overview of an Incident Command System
- Workplace Violence: The Myths and the Mystery
- Managing the Anger to Prevent the Violence
- A Good Samaritan's Guide to First Aid
- Workplace Violence: Threat Detection
- Taking Control of Workplace Violence
- Why Dogs Attack
- Fire Extinguishers: Ready to Respond
- The Safe Operation and Use of Fire Extinguishers
- Hotel Safety and Security Training: Management Awareness

Behavioral Based Safety

- Accident Causes & Prevention: Identifying Unsafe..
- Accident Investigation: Who, What, Where, Why & How
- A Million Excuses
- An Effective Safety Committee
- In the Blink of an Eye
- Job Safety Analysis Training
- New Employee Orientation
- Safety Awareness: The Most Horrifying Accidents
- Safety Behavior: Reducing Unsafe Acts
- Safety Guidelines for Every Employee
- The Top 25 OSHA Violations



Web-Based Risk Control Training Series for Alliant Property Insurance Program Members: 2016-17 Calendar

The Alliant Property Insurance Program (APIP) offers members assistance to address complex property risk control issues. As a service to APIP clients, Alliant Risk Control Consulting will be presenting a series of one-hour, web-based safety training programs at no charge.

As part of the Web-Based series, APIP members will receive:

- Risk Control and property insurance presenters are subject matter experts with over 20 years of experience.
- Webinars designed by our Risk Control experts to target the unique hazards associated with property loss.
- An audio-plus-web format that enables clients to receive risk control/safety training without leaving their facility. All clients need is a windows-based computer, audio (speakers), and a high speed internet connection.
- Since the programs are delivered live, participants are able to send their questions electronically to the presenter.
- All programs are recorded for future playback.
- APIP Members may choose to participate in selected programs, or the entire series.
- Information on each program, including how to register, will be provided 3 weeks in advance of each webinar. To be included in our distribution list, e-mail or call us at the contact information below.

**Webinar Coordinator: Call (949) 260-5042 or
e-mail: riskcontrol@alliant.com**

All training programs will be held from 10 a.m. to 11 a.m. Pacific Standard Time.

Water Intrusion Series


- **Wednesday, August 10, 2016**
Elements and Design of an Effective Water Intrusion Program
- **Wednesday, September 14, 2016**
Use of Technology to Improve Effectiveness of Roof Inspections
- **Wednesday, October 12, 2016**
Mitigating Water Damage

Disaster Planning Series

- **Wednesday, November 9, 2016**
Elements of an Effective Disaster Plan
- **Wednesday, December 14, 2016**
Integrating Table Top Exercises into Disaster Planning
- **Wednesday, January 11, 2017**
Managing Chaos After an Event

Fire Prevention Series

- **Wednesday, February 8, 2017**
Management of Fire Protection Systems
- **Wednesday, March 8, 2017**
Material Storage to Reduce Fire Exposure
- **Wednesday, May 10, 2017**
How to Control Common Sources of Loss Due to Fire
- **Wednesday, June 14, 2017**
Ethics for EHS and Risk Management Professionals



Appraisal Services

Alliant

AFTER A PROPERTY LOSS YOU DON'T NEED ANOTHER UNPLEASANT SURPRISE

Suffering a property loss is bad enough without discovering the property was undervalued and you won't recover enough to replace or restore it. The reason for your dilemma: an inaccurate or poorly documented appraisal of the property that created a false sense of security that you were fully covered for the loss.

Appraisal Services

If your assets are undervalued, or the values cannot be defended, the replacement costs paid by your insurance carrier will not adequately cover your losses. To ensure that commercial and public sector organizations do not face this kind of unpleasant surprise, Alliant Appraisal Services provides clients with accurate, fully documented appraisals they can trust.

Each property valuation is conducted by a licensed, experienced real estate appraiser who utilizes valuation techniques that conform to the federal reporting requirements of the Uniform Standards of Professional Appraisal Practice (USPAP). To ensure accuracy, all appraisals are submitted for peer review.

CLIENT BENEFITS

Clients benefit from our appraisals in a variety of ways, including:

- Identifying inaccuracies in value based on occupancy or building characteristics
- Identifying inaccuracies in square footage, which impacts value
- Updating values to include building additions and renovations and to capture buildings not previously recorded
- Flagging demolished, relocated, or out-of-service structures, thereby reducing insured value
- Documenting and updating COPE (Construction, Occupancy, Protection, Exposures) data, which may help to lower premiums
- Collecting additional data as requested, including secondary earthquake characteristics and GPS coordinates

COMMERCIAL APPRAISALS

The depth and diversity of our commercial appraisal knowledge and experience set Alliant Appraisal Services apart from other consultants. Besides our own vast knowledge base, we are able to capitalize on our access to Alliant's vast nationwide appraisal and cost databases to meet specialized appraisal needs for nearly every type of commercial client.

In addition to appraising income-producing real property—including industrial, office, multifamily, and commercial—we have extensive expertise in appraising such unique assets as medical facilities, entertainment venues, hospitality sites, construction equipment, and power generation plants, to name only a few.

PUBLIC ENTITY APPRAISALS

Establishing accurate replacement values for such public sector assets as infrastructure, public facilities, and specialized equipment requires extensive knowledge of both the type of public entity and type of property. Among the unique public assets we appraise are water distribution systems, sewage treatment facilities, power generation plants, medical treatment facilities, school gymnasiums, fire-fighting equipment, communication towers, roadways, bridges, and many others.

REPORT FORMATS

Our appraisal reports can be customized to a client's particular requirements, ranging from a spreadsheet that summarizes key data to standalone reports for each asset. Clients can be confident that our appraisal reports will be consistent and supported by reliable market data.

ALLIANT INSURANCE SERVICES: THE PARTNER YOU DESERVE.

With a history dating back to 1925, Alliant Insurance Services is one of the nation's leading distributors of diversified insurance products and services. Operating through a national network of offices, Alliant provides property and casualty, workers' compensation, employee benefits, surety, and financial products and services to more than 26,000 clients nationwide.

www.alliant.com

CONTACT

Lora Carlisle
Appraisal Manager
949 260 5033
lcarlisle@alliant.com

**ALLIANT CRIME INSURANCE PROGRAM
2016-2017 INSURANCE PROPOSAL
UNIVERSITY OF CALIFORNIA HASTINGS COLLEGE OF THE LAW**

- INSURER:** National Union Fire Insurance Company of Pittsburgh, PA (Chartis)
- *A.M. BEST'S GUIDE RATING:** A, Excellent; Financial Size Category 15;
(VERIFIED APRIL 2016) Greater than \$2,000,000
- *STANDARD & POOR'S RATING:** A+, Strong Financial Security
(VERIFIED APRIL 2016)
- STATE STATUS:** Admitted
- POLICY PERIOD:** July 1, 2016 to July 1, 2017
- COVERAGE:** Government Crime Policy on Discovery form including the following coverages:
- Employee Theft – Per Loss Coverage
 - Forgery or Alteration
 - Inside the Premises – Theft of Money and Securities
 - Inside the Premises – Robbery & Safe Burglary of Other Property
 - Outside the Premises (Money, Securities and Other Property)
 - Computer Fraud
 - Funds Transfer Fraud
 - Money Orders & Counterfeit Money
- EXCLUSIONS (Including but not limited to):**
- Unauthorized disclosure of confidential information
 - Governmental Action
 - Indirect Loss
 - Legal Fees and Expenses
 - Nuclear Hazard
 - Pollution
 - War and Military Action
 - Inventory Shortages
 - Trading losses
 - Accounting or Arithmetical Errors or Omissions
 - Exchanges or Purchases
 - Fire
 - Money Operated Devices
 - Motor Vehicles or Equipment and Accessories
 - Transfer or Surrender or Property
 - Vandalism
 - Voluntary Parting of Title to Possession of Property

**See last pages for additional details*

**ALLIANT CRIME INSURANCE PROGRAM
2016-2017 INSURANCE PROPOSAL
UNIVERSITY OF CALIFORNIA HASTINGS COLLEGE OF THE LAW**

ENDORSEMENTS:

- State Changes
- Additional Named Insured – Endorsement identifies individual member limit and deductible
- Omnibus Named Insured – Coverage extended to all Agencies, Authorities and Districts (including Special Districts) which are governed directly by the governing body of the Named Insured
- Add Faithful Performance of Duty Coverage for Government Employees
- Revision of Discovery and Prior Theft or Dishonesty \$25,000 Sub-Limit
- Cancellation of Policy Amended – 120 Days
- Bonded Employees Exclusion Deleted endorsement
- Add Credit, Debit or Charge Card Forgery
- Include Volunteer Workers as Employees
- Include Specified Non-Compensated Officers as Employees - ALL
- Include Chairperson and Members of Specified Committees – ALL
- Include Designated Persons or Classes of Persons as Employees – Any Director or Trustees , Any Board Members and any Elected or Appointed Officials as Employees – of any of those named as insured
- Include Treasurers or Tax Collectors as Employees
- Include Expenses Incurred to Establish Amount of Covered Loss - \$75,000 Sub-limit
- Employee Post Termination Coverage – 90 Days
- Cancellation Amendatory (Return Pro-Rata)
- Include Leased Workers as Employees Endorsement
- Notice of Claim Reporting by Email
- Economic Sanctions (excludes loss payments in violation of economic or trade sanctions)
- Vendor Theft - \$1,000,000 Limit excess of vendor insurance policy required by contract. If vendor policy is not valid or collectible, this sublimit applies to loss excess of \$500,000. Coverage not applicable if crime insurance is not required in a written agreement
- Conditions Amended - Subrogation of Faithful Performance of Duty Claims - With respect to losses resulting from the failure of any employee to faithfully perform his or her duties as prescribed by law, the company may subrogate only due to actual fraud, corruption, actual malice, or where the employee or a person or entity was unjustly enriched
- Third Party Coverage - \$250,000 Sublimit with \$25,000 Deductible
- Blanket Joint Loss Payable

**ALLIANT CRIME INSURANCE PROGRAM
2016-2017 INSURANCE PROPOSAL
UNIVERSITY OF CALIFORNIA HASTINGS COLLEGE OF THE LAW**

**ENDORSEMENTS
(continued):**

- CalWorks Employees - Amending the definition of "Employee" to include coverage for individuals that are subject to the Insured's direction and control while performing services for the Insured as a result of an employment contract or agreement with the State of California "Cal Works Program" or any similar state or county work or welfare program.
- Impersonation Fraud Coverage - Adding coverage under the Funds Transfer Fraud insuring agreement for loss of funds resulting from the receipt of a fraudulent phone call or email from a purported vendor, which advises you that the vendor's bank account information has been changed and you suffer a loss of funds because you issued payment to this fraudulent bank account. This coverage is subject to a **\$250,000 sublimit** with a \$25,000 deductible.

	<u>2015-2016 CURRENT</u>	<u>2016-2017 PROPOSED</u>
LIMIT:	\$1,000,000	\$1,000,000
DEDUCTIBLE:	\$2,500	\$2,500
ANNUAL PREMIUM:	\$2,950.00	\$2,950.00

**CLAIMS REPORTING
PROCEDURE:**

AIG
Financial Lines Claims
P.O. Box 25947
Shawnee Mission, KS 66225
Phone: 888-602-5246
Fax: 866-227-1750
Email: c-claim@aig.com

Also Please forward a copy of the loss to:
Alliant Insurance Services, Inc.
Attn: Robert Frey
100 Pine Street, 11th Floor
San Francisco, CA 94111
Phone: 415-403-1400
Fax: 415-403-1466

BINDING SUBJECTIVITIES:

- Signed and dated "Request to Bind Coverage"
- Payment to Alliant within 15 Days of Binding

DATE PREPARED:

May 2, 2016

QUOTE VALID UNTIL:

July 1, 2016

BROKER:

**ALLIANT INSURANCE SERVICES, INC.
NEWPORT BEACH, CALIFORNIA**

Tom E. Corbett Senior Vice President	Lisa Meisner Account Manager
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**ALLIANT CRIME INSURANCE PROGRAM
2016-2017 INSURANCE PROPOSAL
UNIVERSITY OF CALIFORNIA HASTINGS COLLEGE OF THE LAW**

This proposal does not constitute a binder of insurance. Binding is subject to final carrier approval.

The actual terms and conditions of the policy will prevail.

DISCLOSURES

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.alliant.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 Life 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.

NY Regulation 194

Alliant Insurance Services, Inc. is an insurance producer licensed by the State of New York. Insurance producers are authorized by their license to confer with insurance purchasers about the benefits, terms and conditions of insurance contracts; to offer advice concerning the substantive benefits of particular insurance contracts; to sell insurance; and to obtain insurance for purchasers. The role of the producer in any particular transaction typically involves one or more of these activities.

Compensation will be paid to the producer, based on the insurance contract the producer sells. Depending on the insurer(s) and insurance contract(s) the purchaser selects, compensation will be paid by the insurer(s) selling the insurance contract or by another third party. Such compensation may vary depending on a number of factors, including the insurance contract(s) and the insurer(s) the purchaser selects. In some cases, other factors such as the volume of business a producer provides to an insurer or the profitability of insurance contracts a producer provides to an insurer also may affect compensation.

The insurance purchaser may obtain information about compensation expected to be received by the producer based in whole or in part on the sale of insurance to the purchaser, and (if applicable) compensation expected to be received based in whole or in part on any alternative quotes presented to the purchaser by the producer, by requesting such information from the producer.

Named Insured / Additional Named Insured Disclosure

- *The first named insured is granted certain rights and responsibilities that do not apply to other policy named insureds and is designated to act on behalf of all insureds for making policy changes, receiving correspondence, distributing claim proceeds, and making premium payments.*

- **Are ALL entities listed as named insureds?** Coverage is **not** automatically afforded to all entities unless specifically named. Confirm with your producer and service team that all entities to be protected are on the correct policy. Not all entities may be listed on all policies based on coverage line.
- Additional named insured is (1) A person or organization, other than the first named insured, identified as an insured in the policy declarations or an addendum to the policy declarations. (2) A person or organization added to a policy after the policy is written with the status of named insured. This entity would have the same rights and responsibilities as an entity named as an insured in the policy declarations (other than those rights and responsibilities reserved to the first named insured).
- Applies to Professional Liability, Pollution Liability, Directors & Officers Liability, Employment Practices Liability, Fiduciary Liability policies (this list not all inclusive). Check your Policy language for applicability. These policies provide protection to the Named Insured for claims made against it alleging a covered wrongful act. Coverage is not afforded to any other entities (unless specifically added by endorsement or if qualified as a "Subsidiary" pursuant to the policy wording) affiliated by common individual insured ownership or to which indemnification is otherwise contractually owed. If coverage is desired for affiliated entities or for contractual indemnities owed, please contact your Alliant Service Team with a full list of entities for which coverage is requested. With each request, include complete financials and ownership information for submission to the carrier. It should be noted, that the underwriter's acceptance of any proposed amendments to the policy, including expansion of the scope of "Insureds" under the policy could result in a potential diminution of the applicable limits of liability and/or an additional premium charge.

Certificates / Evidence of Insurance

A certificate is issued as a matter of information only and confers no rights upon the certificate holder. The certificate does not affirmatively or negatively amend, extend or alter the coverage afforded by a policy. Nor does it constitute a contract between the issuing insurer(s), authorized representative, producer or certificate holder.

You may have signed contracts, leases or other agreements requiring you to provide this evidence. In those agreements, you may assume obligations and/or liability for others (Indemnification, Hold Harmless) and some of the obligations that are not covered by insurance. We recommend that you and your legal counsel review these documents.

In addition to providing a certificate of insurance, you may be required to name your client or customer on your policy as an additional insured. This is only possible with permission of the insurance company, added by endorsement and, in some cases, an additional premium.

By naming the certificate holder as additional insured, there are consequences to your risks and insurance policy including:

- Your policy limits are now shared with other entities; their claims involvement may reduce or exhaust your aggregate limit.
- Your policy may provide higher limits than required by contract; your full limits can be exposed to the additional insured.
- There may be conflicts in defense when your insurer has to defend both you and the additional insured

Foreign Account Tax Compliance Act (FATCA)

The Foreign Account Tax Compliance Act (FATCA) requires the notification of certain financial accounts to the United States Internal Revenue Service. Alliant does not provide tax advice so please contact your tax consultant for your obligation regarding FATCA.

Claims Reporting:

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

Non-Admitted And Reinsurance Reform Act (NRRA)

The Non-Admitted and Reinsurance Reform Act (NRRA) went into effect on July 21, 2011. Accordingly, surplus lines tax rates and regulations are subject to change which could result in an increase or decrease of the total surplus lines taxes and/or fees owed on this placement. If a change is required, we will promptly notify you. Any additional taxes and/or fees must be promptly remitted to Alliant Insurance Services, Inc.

Changes and Developments

It is important that we be advised of any changes in your operations, which may have a bearing on the validity and/or adequacy of your insurance. The types of changes that concern us include, but are not limited to, those listed below:

- Changes in any operations such as expansion to another states, new products, or new applications of existing products.
- Travel to any state not previously disclosed.
- Mergers and/or acquisition of new companies and any change in business ownership, including percentages.
- Any newly assumed contractual liability, granting of indemnities or hold harmless agreements.
- Any changes in existing premises including vacancy, whether temporary or permanent, alterations, demolition, etc. Also, any new premises either purchased, constructed or occupied
- Circumstances which may require an increased liability insurance limit.
- Any changes in fire or theft protection such as the installation of or disconnection of sprinkler systems, burglar alarms, etc. This includes any alterations to the system.
- Immediate notification of any changes to a scheduled of equipment, property, vehicles, electronic data processing, etc.

- Property of yours that is in transit, unless previously discussed and/or currently insured.

Property Co-Insurance

Most property insurance policies contain a co-insurance clause. In exchange for a reduced rate, the insured agrees to carry at least the stated percentage of insurance to the total insurable value of the property. If, at the time of loss, the amount of insurance carried is less than this percentage, the loss payment will be reduced proportionately.

Workers' Compensation Coverage

It is imperative that Alliant and/or the carrier be notified IMMEDIATELY when a policyholder hires employees and/or begins operations in any state not listed in PART 3.A on the INFORMATION PAGE of the policy. Failure to obtain a workers' compensation policy in some states may result in substantial fines levied on the policyholder dating back to the original date of hire. Coverage for other states under PART 3.C. (OTHER STATES INSURANCE) of the workers' compensation policy may not fulfill the coverage verification requirement imposed by some states.

Optional Coverages

The following represents a list of insurance coverages that are not included in this proposal, but are optional and may be available with further underwriting information.

Note some of these coverages may be included with limitations or insured elsewhere. This is a partial listing as you may have additional risks not contemplated here or are unique to your organization.

- Crime / Fidelity Insurance
- Directors & Officers Liability
- Earthquake Insurance
- Employed Lawyers
- Employment Practices Liability
- Event Cancellation
- Fiduciary Liability
- Fireworks Liability
- Flood Insurance
- Foreign Insurance
- Garage Keepers Liability
- Kidnap & Ransom
- Law Enforcement Liability
- Media and Publishers Liability
- Medical Malpractice Liability
- Network Security / Privacy Liability and Internet Media Liability
- Pollution Liability
- Owned/Non-Owned Aircraft
- Owned Watercraft
- Special Events Liability
- Student Accident
- Volunteer Accidental Death & Dismemberment (AD&D)
- Workers' Compensation
- Workplace Violence

Glossary of Insurance Terms

Below are a couple of links to assist you in understanding the insurance terms you may find within your insurance coverages:

<http://insurancecommunityuniversity.com/UniversityResources/InsuranceGlossaryFREE.aspx>

<http://www.ambest.com/resource/glossary.html>

<http://www.irmi.com/online/insurance-glossary/default.aspx>

2016-2017 ACIP CRIME

REQUEST TO BIND COVERAGE

We have reviewed the proposal and agree to the terms and conditions of the coverages presented. We are requesting coverage to be bound as outlined by coverage line below:

Coverage Line	Bind Coverage for:
Insured Name: UNIVERSITY OF CALIFORNIA HASTINGS COLLEGE OF THE LAW	
Crime	<input type="checkbox"/>
COMMENTS:	

This Authorization to Bind Coverage also acknowledges receipt and review of all disclaimers and disclosures, including exposures used to develop insurance terms, contained within this proposal.

Signature of Authorized Insurance Representative	Date
Title	
Printed / Typed Name	

**THIS PROPOSAL DOES NOT CONSTITUTE A BINDER OF INSURANCE. BINDING IS SUBJECT TO FINAL CARRIER APPROVAL.
 THE ACTUAL TERMS AND CONDITIONS OF THE POLICY WILL PREVAIL.**



**CSAC EXCESS INSURANCE AUTHORITY (CSAC EIA)
EXCESS WORKERS' COMPENSATION PROGRAM
2016/2017 PROPOSAL**

COVERED PARTY	University of California Hastings College of the Law	
COVERAGE TERM	July 1, 2016 to July 1, 2017	
COMPANIES AFFORDING COVERAGE	CSAC Excess Insurance Authority with reinsurance and excess insurance provided by (see attached)	
COVERAGE PROVIDED	Workers' Compensation and Employers' Liability	
LIMITS (See attached)	\$ 5,000,000	Employers' Liability
	Statutory	Workers' Compensation
	Limits are eroded by allocated claims expense	
RETENTION	\$ 250,000	per occurrence
	Self-insured retention is eroded by allocated claims expense	
MAJOR EXCLUSIONS (Including but not limited to)	<ul style="list-style-type: none"> • Punitive or exemplary damages, fines or penalties • Any payments in excess of the benefits regularly provided by the Workers' Compensation law • Labor Code 4850 benefits • Labor Code 4856 benefits • Education Section Codes 44984 and 45192 	
PREMIUM AUDIT	Premiums are auditable and adjustable at June 30, 2017 based on actual payroll	
CONDITIONS	<ul style="list-style-type: none"> • Premium includes a \$1,000 annual loss prevention subsidy • Premium includes a \$2,000 actuarial subsidy • Premium includes cost for claim audit requirement (audit to include access to all files handled by TPA) 	
ESTIMATED ANNUAL PAYROLL	\$ 28,705,795	
ESTIMATED PREMIUM (Annualized)	\$ 78,176	Deposit Premium
	6,457	CSAC EIA Administration Fee
	402	CSAC EIA Public Entity Fee
	0	Alliant Loss Control Services
	8,031	Alliant Broker Fee
	<u>93,066</u>	Total Estimated Deposit Premium
	\$ 93,066	

NOTE: THIS PROPOSAL IS FOR INFORMATIONAL PURPOSES ONLY AND DOES NOT AMEND, EXTEND OR ALTER THE POLICY FORM IN ANY WAY. PLEASE REFER TO THE POLICY FORM FOR COMPLETE COVERAGE AND EXCLUSION INFORMATION



**CSAC EXCESS INSURANCE AUTHORITY (CSAC EIA)
EXCESS WORKERS' COMPENSATION PROGRAM
2016/2017 PROPOSAL**

BROKER

ALLIANT INSURANCE SERVICES, INC.

Gordon DesCombes, Executive Vice President
Lilian Vanvieldt, Senior Vice President
Nazie Arshi, Senior Vice President
Tom E. Corbett, Senior Vice President
Daniel Howell, Senior Executive Vice President
Rhiannon Cabral, CSAC EIA Program Specialist-Lead

NOTE: THIS PROPOSAL IS FOR INFORMATIONAL PURPOSES ONLY AND DOES NOT AMEND, EXTEND OR ALTER THE POLICY FORM IN ANY WAY. PLEASE REFER TO THE POLICY FORM FOR COMPLETE COVERAGE AND EXCLUSION INFORMATION

Alliant Insurance Services, Inc. • 1301 Dove Street • Suite 200 • Newport Beach, CA 92660
PHONE (949) 756-0271 • www.alliant.com • License No. 0C36861



**CSAC EXCESS INSURANCE AUTHORITY (CSAC EIA)
EXCESS WORKERS' COMPENSATION PROGRAM
2016/2017 PROPOSAL**

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.alliant.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.

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**CSAC EXCESS INSURANCE AUTHORITY (CSAC EIA)
EXCESS WORKERS' COMPENSATION PROGRAM
2016/2017 SCHEDULE OF INSURERS AND LIMITS**

Provider	Limit	California Status	A.M. Best's Guide Rating	Standard & Poor's Rating
CSAC Excess Insurance Authority	Workers' Compensation and Employers Liability : The difference between <ul style="list-style-type: none"> • \$2,500,000 and Individual Member's Retention for each accident or each employee for disease • \$2,500,000 and Individual Member's Retention for each accident for communicable disease 	Not Applicable	Not Applicable	Not Applicable
With reinsurance provided by Wesco Insurance Company*	*subject to a Corridor Retention	Not Applicable (reinsurance)	A (Excellent) Financial Size Category XIII (\$1,500,000,000 to \$2,000,000,000)	Not Applicable
Safety National Casualty Corporation An excess insurance policy	Workers' Compensation: Statutory each accident and each employee for disease excess of \$2,500,000	Admitted	A+(Superior); Financial Size Category XIII (\$1,500,000,000 or \$2,00,000,000)	A (Stable)

NOTE: THIS PROPOSAL IS FOR INFORMATIONAL PURPOSES ONLY AND DOES NOT AMEND, EXTEND OR ALTER THE POLICY FORM IN ANY WAY. PLEASE REFER TO THE POLICY FORM FOR COMPLETE COVERAGE AND EXCLUSION INFORMATION



June 16, 2016

Insurance Company: AIX Specialty Insurance Company
726 Exchange Street, Suite 1020
Buffalo, New York 14210

General Liability / GarageKeepers Legal Liability Proposal

Broker: Alliant Insurance Services, Inc.
100 Pine Street, 11th Floor
San Francisco, CA 94111

Named Insured: University of California Hastings College of the Law
Address: 200 McAllister Street San Francisco, CA 9410

Please find the attached proposal for the above named insured. This proposal is valid for 30 days from the date of this letter or the expiration date of the current policy, whichever occurs first.

The following is required to bind this policy:

- 1 Signed Accord Application and Parking Operator Supplemental Application
- 2 Signed and completed Terrorism Coverage rejection/acceptance form
- 3 Signed and completed Important Notice Regarding Third-Party Administrators
- 4 Signed Surplus Lines Document applicable to the respective state

Maximum number of spaces at each location must be accurately presented on the schedule of locations. We may inspect one or more of the insured's operating locations. If we find there is a discrepancy in the number of spaces, we may require additional inspections at the insured's cost. An additional premium may also apply.

This policy will be subject to audit at the company's expense:

100% minimum annual premium earned / 0% growth included

Due Upon Binding:

100% Deposit Premium		\$ 8,500.00	MINIMUM PREMIUM
Surplus Lines Taxes	3.000%	\$ 255.00	
Stamping Fee	0.200%	\$ 17.00	
Other Fees	0.000%	\$ -	
Total excluding Terrorism Coverage		<u>\$ 8,772.00</u>	

Terrorism Coverage Elected	Yes	\$ 213.00	
Surplus Lines Taxes	3.000%	\$ 6.39	
Stamping Fee	0.200%	\$ 0.43	
Other Fees	0.000%	\$ -	
Total with Terrorism Coverage		<u>\$ 8,991.82</u>	

IMPORTANT NOTICE: THE NONADMITTED & REINSURANCE REFORM ACT (NRA) GOES INTO EFFECT ON JULY 21, 2011. ACCORDINGLY, SURPLUS LINES TAX RATES AND REGULATIONS ARE SUBJECT TO CHANGE WHICH COULD RESULT IN AN INCREASE OR DECREASE OF THE TOTAL SURPLUS LINES TAXES AND/OR FEES OWED ON THIS PLACEMENT. IF A CHANGE IS REQUIRED, WE WILL PROMPTLY NOTIFY YOU. ANY ADDITIONAL TAXES AND/OR FEES OWED MUST BE PROMPTLY REMITTED TO ALLIANT SPECIALTY INSURANCE SERVICES, INC.

Thank you for the opportunity to quote this business. We look forward to hearing from you further.



Alliant Specialty Insurance Services, Inc.
 PO Box 609015, San Diego, California 92160

License # 0558510

Insurance Company: AIX Specialty Insurance Company
 726 Exchange Street, Suite 1020 - Buffalo, New York 14210
 AM Best Rating: A XIV

Insured's Name: University of California Hastings College of the Law
 Address: 200 McAllister Street San Francisco, CA 9410

Effective Date: July 1, 2016

This letter summarizes the terms and conditions for which the following insurance coverage's are offered by AIX Specialty Insurance Company. Please review this letter carefully as the terms may vary from the coverage's, limits and other provisions requested in the application.

Coverage	Limits of Insurance	
GarageKeepers Legal Liability	\$ 350,000	Per Vehicle
	\$ 1,000,000	Per Location
	\$ 2,000,000	Each Occ.
Commercial General Liability	\$ 1,000,000	Each Occ.
	\$ 2,000,000	Aggregate
Products - Completed Operations Limit	\$ 1,000,000	Aggregate
Personal and Advertising Injury Limit	\$ 1,000,000	Aggregate
Damage to Premises Rented to You	\$ 100,000	Aggregate
The following coverages only apply if a premium amount is shown under the premium detail section on page 3 of this proposal		
Hired auto liability	Not Covered	Aggregate
Non owned Auto Liability	Not Covered	Aggregate
Employee Benefits Liability (CLAIMS MADE)	Not Covered	Each Employee & General Aggregate
DEDUCTIBLE: \$1,000		
Parking Operations E & O	\$ 1,000,000	Aggregate

Premium Before Credits:	\$	8,500.00	
Total Credits:	\$	-	
Primary Premium Total:	\$	8,500.00	MINIMUM PREMIUM
Surplus Lines Taxes	3.000%	\$	255.00
Stamping Fee	0.200%	\$	17.00
Other Fees	0.000%	\$	-
Total Policy Premium:	\$	8,772.00	
Deposit Due at Bind: 100%	\$	8,772.00	

Terrorism information: To add Terrorism coverage the additional premium is : \$ 213.00
 plus additional surplus lines taxes and fees \$ 6.82

Refers to terrorism losses covered by the Terrorism Risk Insurance

Read the included important information Notice Regarding Terrorism Coverage, which outlines both the federal government's and the insurance company's payment obligations under the Terrorism Risk Insurance Act of 2002 (TRIA).

Inspection information:

The insured must comply with any recommendations that result from the inspection in order to remain in good standing with the insurance company.

TPA Information:

The policy is issued with a Self-Insured Retention, so a Third Party Administrator must handle all claims that fall within the SIR limit. Read the included Important Notice Regarding Third-Party Administrators and Claims Handling; this must be completed by the insured prior to binding coverage.

Premium is 100% advance:

If the final audit develops a net premium that is greater than the advance and deposit premium then the additional premium shall be due upon notice to the insured.

Premium 25% minimum earned:

The insurance company will retain a minimum of 25% of the premium if the policy is cancelled before its expiration.

Self-Insured Retention Information:

\$5,000/\$10,000 SIR per occurrence

\$5,000 Self-Insured Retention applies except where \$10,000 Self-Insured Retention applies to the theft of a vehicle.

The Self-Insured Retention is a single SIR with respects to General Liability and GarageKeepers Legal Liability including the cost of defense.

Audit information:

Semi-annual Bordereau reporting. Additions and deletions of the insured's locations and spaces are reported via semi-annual bordereau (due within 30 days of the semi-annual and expiration dates), which the program administrator will provide. The information reported forms the basis for the final audit at the end of the policy term.

Surplus lines policy:

Insurance company is non-admitted, so surplus lines taxes and fees apply for the insured's state.

Premium Detail

Class Description	Exposure	Basis	Rate	Manual Premium
Parking, Public: Self-Parking:	395	Per space	\$ 15.32	\$ 6,051.00
Parking, Public: Assisted Parking	0	Per space	\$ 34.48	\$ -
Parking, Public: Valet	0	Per space	\$ 142.97	\$ -
Special Events	0	Per event	\$ 142.97	\$ -
Incidental on-site hand car washes	\$ -	Revenue	\$ -	\$ -
Golf Carts	1	Per Cart	\$ 150.00	\$ 150.00
Non-owned Auto liability	0	Per employee	\$ 250.00	\$ -
Hired Auto liability	0	Number of Days	TIERED	\$ -
Employee Benefits Liability	0	Per employee	TIERED	\$ -
Damage to rented premises \$500,000	0	Per location	TIERED	\$ -
Damage to rented premises \$1,000,000	0	Per location	TIERED	\$ -
Parking Operations E & O	5	Per employee	TIERED	\$ 225.00

Total Credits \$ -
Total Premium (Rounded) Less Fees / TRIA \$ 8,500.00 **MINIMUM PREMIUM**

*Please verify all coverages, terms and conditions on this proposal as they may vary from those requested on the application.

**As the appointed program administrator for AIX Specialty Insurance Company, we may amend or withdraw this proposal if we become aware of any new or updated information which could change it's underwriting evaluation. Furthermore, if during the course of the policy effective period, the insured should add locations in any new territories we reserve the right to amend the policy rates based on these new exposures.

1623. (a) An insurance broker is a person who, for compensation and on behalf of another person, transacts insurance other than life insurance with, but not on behalf of, an admitted insurer. It shall be presumed that the person is acting as an insurance broker if the person is licensed to act as an insurance broker, maintains the bond required by this chapter, and discloses, in a written agreement signed by the consumer, all of the following:

- (1) That the person is transacting insurance on behalf of the consumer.
 - (2) A description of the basic services the person will perform as a broker.
 - (3) The amount of all broker fees being charged by the person.
 - (4) If applicable, the fact that the person may be entitled to receive compensation from the insurer, directly or indirectly, for the consumer's purchase of insurance as a consequence of the transaction.
- (b) If a transaction involves both a retail broker and a wholesale intermediary broker, the wholesale intermediary broker shall be deemed to have satisfied its disclosure obligations under this section if it provides written disclosure to the retail broker of the criteria set forth in paragraphs (2), (3), and (4) of the subdivision (a).

DISCLOSURES

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 Specialty Insurance Services, Inc. by you. This proposal does not reflect any independent study or investigation by Alliant Specialty 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 Specialty Insurance Services, Inc. and 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 Specialty Insurance Services, Inc. and 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 Specialty Insurance Services, Inc. and/or Alliant may earn on a placement, are available on our website at www.alliant.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.

The proposed insurance carrier(s) AIX Specialty Insurance Company has an AM Best rating of A XIV.

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.

DISCLOSURES (continued)

NY REGULATION 194 DISCLOSURE

Alliant Insurance Services, Inc. is an insurance producer licensed by the State of New York. Insurance producers are authorized by their license to confer with insurance purchasers about the benefits, terms and conditions of insurance contracts; to offer advice concerning the substantive benefits of particular insurance contracts; to sell insurance; and to obtain insurance for purchasers. The role of the producer in any particular transaction typically involves one or more of these activities.

Compensation will be paid to the producer, based on the insurance contract the producer sells. Depending on the insurer(s) and insurance contract(s) the purchaser selects, compensation will be paid by the insurer(s) selling the insurance contract or by another third party. Such compensation may vary depending on a number of factors, including the insurance contract(s) and the insurer(s) the purchaser selects. In some cases, other factors such as the volume of business a producer provides to an insurer or the profitability of insurance contracts a producer provides to an insurer also may affect compensation.

The insurance purchaser may obtain information about compensation expected to be received by the producer based in whole or in part on the sale of insurance to the purchaser, and (if applicable) compensation expected to be received based in whole or in part on any alternative quotes presented to the purchaser by the producer, by requesting such information from the producer.

IMPORTANT NOTICE

The Foreign Account Tax Compliance Act (FATCA) requires the notification of certain financial accounts to the United States Internal Revenue Service. Alliant does not provide tax advice so please contact your tax consultant for your obligation regarding FATCA.

SUBJECTIVITIES (to issue and release policies)

ADDITIONAL UNDERWRITING QUESTIONS

- 1.) On page 2 of the application, under Enterprise Risk Management the question reads; “You’re your institution have a comprehensive plan for identifying, assessing, mitigating, and managing various types of risks (i.e. an enterprise risk management plan)?”

UC Hastings answered ‘Yes’, but on the following question; “if your institution has an enterprise risk management plan, which of the following risk areas are covered?” UC Hastings didn’t check any of the below listed choices.

Reputational
Compliance
Strategic
Operational
Financial
None of the above

Please advise what areas are covered in the Institutions Risk management plan?

- 2.) Please confirm that allied health professionals are required to provide
 - a. Evidence of current applicable license
 - b. Written agreement indemnifying the institution
 - c. Evidence of current professional liability insurance.

- 3.) Please confirm if armed guard is contracted or employed. If contracted:

Do Contracted armed guards exist and the contracting company is not required to

- Have at least \$1 million in GL/police professional coverage and/or
- To name the institution as an additional insured

If employed:

- Are Criminal background checks and psychological reviews are not performed on armed employed guards
- Are Weapons training/recertification performed at intervals beyond every two years for armed employed guards

REPORT ITEM

1. **REPORT BY:** David Seward
2. **SUBJECT:** Review of College Checks & Electronic Transfers over \$50,000
3. **REPORT:**

Listed below are checks & electronic transfers issued by the College for the period of April 29, 2016 through July 31, 2016.

Date	Check/ Electronic Transfers No.	Vendor	Amount	Description
4/30/16	PC 9004104	Wells Fargo Bank N.A.	249,715.28	Recording of procurement card payments/PayIt on general ledger for the month of April 2016
5/03/16	E0039845	Regents University California	443,819.40	Employer/employee contributions to UC Retirement Plan for PPE 04/30/2016
5/11/16	ACH1639	State California Franchise Tax Board	96,697.44	State withholding employee income tax payment for PPE 4/30/16
5/11/16	ACH1641	Internal Revenue Service	580,371.48	Payment for federal income taxes, social security taxes and Medicare taxes (employee and employer share) for PPE 04/30/2016
5/13/16	E0039914	Corp State Street	59,765.38	Retirement program costs for annuitants and employees – Other Post-Employment Benefits for PPE 04/30/2016
5/13/16	E0039939	Regents University California	297,865.51	Employer/employee contributions: Health and Welfare for PPE 04/30/2016
5/16/16	0264769	ABM Engineering	88,567.23	Payment Tower Building engineering services for February & March 2016
5/24/16	0264823	ABM Engineering	51,293.69	Payment Tower Building engineering services for April 2016
5/24/16	0264824	ABM Janitorial	57,589.37	Facilities custodial services in the 198, 200 & 100 McAllister buildings for the month of March 2016.
5/24/16	0264835	BGCA Management LLC	50,850.46	UCH Commencement venue & event management.
5/24/16	0264888	Pacific, Gas & Electric	50,357.05	Utilities payment for the period of 4/6/2016-5/6/2016
5/24/16	0264904	TRC Solutions	60,598.30	April 2016 professional service- EIR for LRCP
5/24/16	PC9004140	Wells Fargo Bank. N.A.	247,886.84	Recording of procurement card payments/PayIt on general ledger for the month of May 2016

[Type here]

6/02/16	ACH1643	Internal Revenue Service	596,537.42	Payment for federal income taxes, social security taxes and Medicare taxes (employee and employer share) for PPE 05/31/2016
6/02/16	ACH1644	State California Franchise Tax Board	100,894.74	State withholding employee income tax payment for PPE 5/31/16
6/03/16	E0040189	Regents University California	438,249.64	Employer/employee contributions to UC Retirement Plan for PPE 05/31/2016
6/14/16	E0040233	Corp State Street	60,345.20	Retirement program costs for annuitants and employees – Other Post-Employment Benefits for PPE 05/31/2016
6/14/16	E0040242	Diablo Publications	95,964.53	Hastings Magazine - Spring 2016
6/14/16	E0040248	Regents University California	275,280.41	Employer/employee contributions: Health and Welfare for PPE 05/31/2016
6/15/16	PC9004182	Wells Fargo Bank. N.A.	114,812.82	Recording of procurement card payments/PayIt on general ledger for the month of June 2016
6/24/16	0265081	ABM Janitorial Services	57,589.37	Facilities custodial services in the 198, 200 & 100 McAllister buildings for the month of periods ending May 31, 2016.
7/01/16	ACH1660	State California Franchise Tax Board	103,301.30	State withholding employee income tax payment for PPE 06/30/16
7/01/16	ACH1661	Internal Revenue Service	582,506.62	Payment for federal income taxes, social security taxes and Medicare taxes (employee and employer share) for PPE 06/30/2016
7/06/16	E0040432	Regents University California	427,223.54	Employer/employee contributions to UC Retirement Plan for PPE 06/30/2016
7/13/16	0265204	Pacific, Gas & Electric	65,341.23	Utilities payment for the period of 5/6/2016-6/6/2016
7/14/16	E0040485	Corp State Street	60,550.74	Retirement program costs for annuitants and employees – Other Post-Employment Benefits for PPE 06/30/2016
7/14/16	E0040497	Regents University California	299,734.63	Employer/employee contributions: Health and Welfare for PPE 06/30/2016
7/22/16	0265262	Bloomberg BNA	60,351.56	Bloomberg BNA Premier Law School Professional Information Center subscription plus ABA/BNA manuals
7/28/16	PC9004207	Wells Fargo Bank. N.A	252,206.96	Recording of procurement card payments/PayIt on general ledger for the month of July 2016
7/29/16	E0040563	Ellucian Inc.	157,709.00	2016-17 annual service fee for Colleague UI
	30 Records Listed	TOTAL	\$6,083,977.14	

FINANCE COMMITTEE MEETING

Meeting adjourned at ____:____ p.m.