



GENERAL EMPLOYEES PENSION BOARD MEETING

CITY OF ST. PETE BEACH

155 Corey Avenue
St. Pete Beach, FL 33706

Thursday, 08/17/17
1:30 pm

Call to Order
Pledge of Allegiance
Roll Call

- 1. Changes to the Agenda** – Agenda items to be added, moved or deleted will be addressed at this time. Items added will be assigned agenda item numbers and items that are moved will retain the same item numbers. A notation will be made that those items will be taken out of order.
- 2. Audience Comments** – Comments shall be limited to three minutes per person to issues not on the agenda.
- 3. Approval of Minutes**
 - a. April 20, 2017 – Quarterly Meeting**
 - b. May 18, 2017 – Special Meeting**
- 4. Agenda Items**
 - a. Payment Of Invoices**
 - b. Reports – Graystone Consultants and Salem Trust**
 - c. Renewal Of Fiduciary Liability Insurance**

- d. Authorize HR Administrator to have access to Salem Trust General Employee Retirement System accounts.**
- e. Attorney Report**

5. Adjournment

APPEAL

APPEAL: Florida Statutes 286.0105 Notices of meetings and hearings must advise that a record is required to appeal. Each board, commission, or agency of this state or of any political subdivision thereof shall include in the notice of any meeting or hearing, if notice of the meeting or hearing is required, of such board, commission, or agency, conspicuously on such notice, the advice that, if a person decides to appeal any decision made by the board, agency, or commission with respect to any matter considered at such meeting or hearing, he or she will need a record of the proceedings, and that, for such purpose, he or she may need to ensure that a verbatim record of the proceedings is made, which record includes the testimony and evidence upon which the appeal is to be based.

AMERICANS WITH DISABILITIES ACT: Florida Statutes 286.26. Accessibility of public meetings to the physically handicapped. In accordance with the Americans with Disabilities Act and Florida Statutes, persons needing special accommodations to participate in a meeting should contact City Hall at (727) 367-2735 no later than forty-eight (48) hours prior to the meeting for assistance.

Electronic media must be submitted a minimum of 24 hours in advance to
cityclerk@stpetebeach.org

The public is cordially invited to attend.

All agenda material is available for review at City Hall.

GENERAL PENSION BOARD

MINUTES

APRIL 20, 2017

8:30 A.M.

CALL TO ORDER

PLEDGE OF ALLEGIANCE

ROLL CALL

PRESENT:

William Schroeder, Chairman
Samantha Brem, Member
Ray Gallant, Member

ABSENT:

William Palmer, Secretary

ALSO PRESENT:

Charles Mulfinger, Graystone Consulting
Scott Owens, Graystone Consulting
Lee Dehner, Christensen & Dehner
Vince Tenaglia, Administrative Services Director
Mary Jo Murphy, Deputy City Clerk

1. Changes to the Agenda

There were no changes to the agenda.

2. Audience Comments

There were no comments from the audience.

3. Approval of Minutes

- a. January 19, 2017 – Quarterly Meeting
- b. March 17, 2017 – Special Meeting

Member Brem made a motion to approve the minutes from the January 19, 2017 meeting and the March 17, 2017 meeting. The motion was seconded by Member Gallant and unanimously approved by a voice vote.

4. Agenda Items

a. Payment of Invoices

There was board discussion in regard to two invoices received from the following entities:

- Foster & Foster: Invoice No. 10169 in the amount of \$15,475.00
- Christiansen & Dehner, P.A.: Invoice No. 30233 in the amount of \$5,186.01; \$3,615.32 paid with a balance due in the amount of \$1,570.69.

Member Gallant made a motion to approve the payment of the two invoices. The motion was seconded by Member Brem and unanimously approved by a voice vote.

b. Reports - Graystone Consultants and Salem Trust

Charles Mulfinger and Scott Owens, Graystone Consulting, gave a presentation to the board in regard to the following topics and documents: economic review, the market, Anchor Capital, "Asset Allocation Analysis," "Large Cap Value Comparison," "Quarterly Performance Summary," and the "Quarterly Performance Evaluation."

In regard to the "Quarterly Performance Summary," Chairman Schroeder suggested that Mr. Mulfinger return to the next meeting with recommendations of ways to improve the "Compliance Checklist," page 10, for the board's review and approval.

Chairman Schroeder and Attorney Dehner made the following comments to Mr. Mulfinger in regard to Anchor:

- speak with Anchor and ask if there's a fee reduction in place
- inform Anchor the board is analyzing large cap value
- inform Anchor that during the next General Pension Board meeting the board may make a decision with the fund manager
- speak with Anchor and ask if they have offered a lower fee to any funds similarly situated; if the answer is affirmative, there's a provision in the contract that the General Pension Board's fee should be lowered.

Mr. Mulfinger reiterated from the previous meeting that Graystone's three-year contract is up for renewal. Mr. Owens stated the current price is \$14,500 per year, and the increase is for \$17,500 per year for a minimum of three years.

Member Gallant made a motion to approve the new increase. The motion was seconded by Member Brem and unanimously approved by a voice vote.

Attorney Dehner verified with Mr. Mulfinger that the new increase will be effective April 1, 2017.

There was no report from Salem Trust.

c. Attorney Report

Attorney Dehner discussed the following with the Board:

- legislative update
- file financial disclosures before July 1, 2017

5. Adjournment

There being no further business, the meeting was adjourned at 9:45 a.m.

Attest:

Rebecca C. Haynes, City Clerk

William Schroeder, Chairman

Minutes approved on: _____

GENERAL PENSION BOARD - SPECIAL MEETING

MINUTES

MAY 18, 2017

11:00 A.M.

CALL TO ORDER

PLEDGE OF ALLEGIANCE

ROLL CALL

PRESENT:

William Schroeder, Chairman
William Palmer, Secretary
Samantha Brem, Member
Ray Gallant, Member

ALSO PRESENT:

Vince Tenaglia, Administrative Services Director (entered meeting at 11:25 a.m.)
Colette Graston, Human Resources Administrator
Mary Jo Murphy, Deputy City Clerk
Lee Dehner, Attorney
Bruce Marger, Attorney
Timothy A. Miller, Attorney
Patrick Donlan, Actuary
Robert Wagner, Court Reporter

1. Changes to the Agenda

There were no changes to the agenda.

2. Audience Comments

There were no comments from the audience.

3. Approval of Minutes

a. April 20, 2017 – Quarterly Meeting

Member Brem made a motion to approve the minutes from the April 20, 2017 meeting. The motion was seconded by Member Gallant and unanimously approved by a voice vote.

4. Agenda Item

Continuation of Full Hearing for the Claim of the Estate of Pamala Prell

Attorney Marger, Fisher & Sauls, P.A.; Mr. Marger, Timothy A. Miller, P.A., and Patrick Donlan, Foster & Foster, presented evidence and/or testimony to the board.

Based on the evidence submitted, Attorney Dehner made the statement that he believed the board had the option to allow a change in the joint pensioner. The second issue to be considered by the board was whether or not the change was indicated by Pamala Prell in accordance with the ordinance, and Attorney Dehner believed Ms. Prell did communicate that to the best of her ability. The third issue was in regard to considering the commuted value, and Mr. Dehner agreed with monthly payments.

Chairman Schroeder asked for board discussion. Hearing no further discussion, Chairman Schroeder made a recommendation for someone to make a motion to allow for this unique circumstance where the joint annuitant can be changed provided that the joint annuitant gets a monthly payment and not a lump sum.

Member Brem moved that under these unique circumstances in this particular case, that the annuitant can be changed to Melanie with the stipulation that she receive a monthly payment rather than a lump sum payment. The motion was seconded by Member Gallant.

Attorney Marger asked for a clarification that it would be retroactive to the last payment that was made to Pamala Prell.

Secretary Palmer requested that it be contingent upon the spouse giving a legal affidavit that he is in agreement.

Attorney Dehner suggested Mr. Prell be put under oath and have him make a statement for the record and to provide a waiver or release in writing as well.

Deputy City Clerk Murphy asked for the motion to be clarified.

Member Brem moved that under the unique circumstances of this case, that the beneficiary be changed to Melanie with the stipulation that she receive a monthly payment, with the further stipulation that she receive a lump sum to make up for the difference between what

the payments would have been from the time of death to when the payments start now on an actuarial equivalent basis.

Chairman Schroeder stated that the affidavit be added as well. Attorney Dehner agreed that it should be contingent upon an affidavit and testimony from Mr. Prell today.

Deputy City Clerk Murphy asked for the motion to be clarified.

Member Brem moved that under the unique circumstances of this case, that the beneficiary be changed from Pamala Prell to Melanie with the stipulation that Melanie receive a monthly payment, provided that Melanie will receive a lump sum payment to make up for the difference between what the payments would have been from the time of death to the present time, with the further stipulation that Mr. Prell testify here today on the record that he is in agreement with this and also provide a written affidavit reflecting that same agreement, and that the valuation be on an actuarial equivalent basis. The motion was seconded by Member Gallant.

Chairman Schroeder called for a voice vote. Deputy City Clerk suggested a roll call vote be taken.

Attorney Dehner asked for Mr. Prell to testify before the vote.

The court reporter, Robert Wagner, swore Mr. Prell in. Mr. Prell testified, under oath, in response to questions posed by Attorney Miller.

Deputy City Clerk Murphy asked for the motion to be amended.

Member Brem made an amended motion that under the unique circumstances of this case, the beneficiary be changed to Melanie with the stipulation that she receive a monthly payment, provided however she will receive a lump sum payment to make up for the difference between when the payments would have started to the present time, on an actuarial equivalent basis, and provided further that Mr. Prell will testify under oath and provide an affidavit, or other documentation, of his agreement to these terms. The amended motion was agreed to and seconded by Member Gallant. The motion was unanimously approved by a roll call vote, (4 yeses – 0 nos).

Attorney Dehner stated he would prepare an order and send it to Deputy City Clerk Murphy for Chairman Schroeder's signature.

5. Payment of Invoices

There was board discussion in regard to the following invoices:

Christiansen & Dehner, P.A.	\$1,637.92
Insight Investment	\$2,355.79
Foster & Foster	\$3,900.00
Anchor Capital Advisors, LLC	\$2,438.87
Graystone Consulting	\$3,625.00

Member Gallant made a motion to approve the invoices stated by Secretary Palmer. The motion was seconded by Secretary Palmer and unanimously approved by a voice vote.

6. Salem Trust Addendum to the Custodial Services Agreement between Salem Trust Company and the Board of Trustees of the City of St. Pete Beach General Employees' Retirement System

Secretary Palmer stated that the addendum had been reviewed and approved by Attorney Dehner's office.

Chairman Schroeder asked for a motion to approve the Custodial Services Agreement addendum and to approve Option A.

Secretary Palmer made a motion to accept the new Custodial Agreement from Salem Trust. The motion was seconded by Member Gallant and unanimously approved by a voice vote.

7. Adjournment

There being no further business, the meeting was adjourned at 12:17 p.m.

Attest:

Rebecca C. Haynes, City Clerk

William Schroeder, Chairman

Minutes approved on: _____

Christiansen & Dehner, P. A.

63 Sarasota Center Boulevard
Suite 107
Sarasota, FL 34240-

941-377-2200
Phone

941-377-4848
Fax

June 30, 2017

City of St. Pete Beach General
Employees' Pension Fund
155 Corey Ave.
St. Pete Beach,, FL 33706
ATTN: Bill Palmer

Invoice Number

In Reference To: General Employees' Pension Fund	9117	30837
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Professional Services

	Hours	Amount
6/9/2017 Preparation of addendum to monitoring agreement with Morgan Stanley.	0.50	204.50
6/21/2017 Preparation of Final Order in Prell claim.	1.30	531.70
6/23/2017 Preparation of legislative update memorandum on Public Records Act and Senate Bill 80.	0.20	81.80
6/28/2017 Transmit signed order to B. Marger and T. Miller.	0.10	40.90
For professional services rendered	2.10	\$858.90

Additional Charges :

	Qty	
6/9/2017 Copies	6	1.50
Postage	1	1.38
6/22/2017 Copies	2	0.50
Postage	1	0.46
6/26/2017 Copies	1	0.25
Postage	1	0.46
6/28/2017 Copies	2	0.50
Postage	1	0.92
Total additional charges		\$5.97

Total amount of this bill	\$864.87
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Previous balance	\$1,569.60
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Christiansen & Dehner, P. A.

63 Sarasota Center Boulevard
Suite 107
Sarasota, FL 34240-

941-377-2200
Phone

941-377-4848
Fax

July 31, 2017

St. Pete Beach General Employees' Retirement System
155 Corey Ave.
St. Pete Beach, FL 33706
ATTN: Bill Palmer

Invoice Number

In Reference To: General Employees' Pension Fund	9117	30986
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Professional Services

	Hours	Amount
7/11/2017 Preparation of ordinance amending pension plan to incorporate all required changes and updates to the Internal Revenue Code; correspondence to Board transmitting and explaining ordinance.	2.80	1,190.00
For professional services rendered	2.80	\$1,190.00

Additional Charges :

	Qty	
7/11/2017 Copies	30	7.50
Postage	1	1.09
Total additional charges		\$8.59

Total amount of this bill	\$1,198.59
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Previous balance	\$2,434.47
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Balance due	\$3,633.06
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** Please note that the "Balance Due" figure at the end of this bill reflects both "Total New Charges - Current Period" and any previous balances due. In most cases, if the previous balance(s) have already been approved for payment but not yet received in our office, you should be paying only the "Total New Charges - for services and/or expenses". Thank you.

Current	30 Days	60 Days	90 Days	120+ Days
\$2,063.46	\$1,569.60	\$0.00	\$0.00	\$0.00

**Please indicate account number(s) with payment.
(Please Deduct any payments not reflected in Balance due)**



One Post Office Square, Boston, MA 02109
T (617) 338-3800 | F (617) 426-6871
anchorcapital.com

July 1, 2017

Cust: Salem Trust Company
Acct: XXXXXX9573

Palmer, Bill
St. Pete Beach G.E Retirement System
155 Corey Avenue
St. Pete Beach, FL 33706

MANAGEMENT FEE:

City of St. Pete Beach General Employees Retirement System
3212

For the Period 4/1/2017 through 6/30/2017

6/30/2017 Portfolio Value:

\$ 1,325,952.12

Quarterly Fee Based On:

All Assets

\$ 1,325,952 @ 0.75% per annum

\$ 2,486.16

Quarterly Fee:

\$ 2,486.16

Paid by Debit Direct

(\$ 0.00)

Please Remit

\$ 2,486.16

August 7, 2017

745-070 PEP8DCS90000022

CITY OF ST PETE BEACH GENERAL
ATTN: BILL PALMER
155 COREY AVE.
ST. PETE BEACH FL 33706

Graystone ConsultingSM

A business of Morgan Stanley

Invoice Number: 0101300

Graystone Consulting Tampa
Financial Advisor
www.morganstanley.com

IMPORTANT NOTICE	INVESTMENT ADVISORY FEE PAYMENT REQUIRED
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ACTION REQUIRED — PLEASE REMIT PAYMENT IN THE ENCLOSED BUSINESS REPLY ENVELOPE

We value you as a client and thank you for the opportunity to serve your investment needs. Please see below for the investment advisory fee(s) due.

ACCOUNT	CLIENT NAME	TOTAL FEE AMOUNT
745-038963	CITY OF ST. PETE BEACH	\$4,375.00
Total Fee:		\$4,375.00
Prior Balance:		\$0.00
Net Amount:		\$4,375.00

For additional details please see Invoice Detail and Remittance Instructions on pages to follow.

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ADVISORY INVOICE DETAILS

Account: 745-038963

Billing Period	04/01/2017 - 06/30/2017
Number of Days	91
Hard Dollar Fee	\$17,500.00
Fee Amount	\$4,375.00

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REMITTANCE INSTRUCTIONS

Please return payment using this page and include it with your check in the enclosed business reply envelope. Please note that cash payments cannot be accepted — wire and check information are below.

If you have any questions, please contact your Financial Advisor.

Account	Total Fee Amount
745-038963	\$4,375.00
Total Fee:	\$4,375.00
Prior Balance:	\$0.00
Net Amount:	\$4,375.00

By Wire

Bank Name: Citibank, New York
ABA: 021000089
For Benefit Of Morgan Stanley & Co. Incorporated
Beneficiary Account: 40611172
For Further Credit to: 980000163
Ref: Invoice 0101300

By Check

Morgan Stanley Global Banking Operations
ATTN: Advisory Fee Billing
1300 Thames Street Wharf, 4th Floor
Baltimore, MD 21231-9907



July 6, 2017

City of St. Pete Beach
Bill Palmer
155 Corey Avenue
St. Pete Beach, FL 33706

St. Pete Beach General
M02501

Fee Advice for Period April 1, 2017 to June 30, 2017

Detail of Calculation:

	Annual Fee	Quarterly Fee
Flat Fee	\$ 11,800.00	\$2,950.00
TOTAL DUE		\$2,950.00

**These fees will automatically be charged to your account.
If you have any questions, please contact Lynn Skinner at 877-382-5268.**



200 Park Ave 7th Floor
New York, NY 10166
212-527-1800

July 24, 2017

INVOICE #
1042-ISC-TRSA

Mr. Bill Palmer
Trustee General Pension Board
City of St. Pete Beach
155 Corey Avenue
St. Pete Beach, Florida 33706

Invoice for Investment Advisory Services for the City of St. Pete Beach General Employees:

April 1, 2017 - June 30, 2017 \$2,364.48

TOTAL AMOUNT DUE **\$2,364.48**

Terms: Due and payable upon receipt

Fee computed as follows:

Average Portfolio Market Value for period	\$3,783,169.30
Multiplied by quarterly fee of 1/4 of .25 of 1%	\$2,364.48

Please reference invoice number when making payments by ACH, Fedwire, or CHIPS Transfers:

Cutwater Investor Services Corp.

BNY Mellon, N.A. 500 Ross Street Pittsburgh, PA 15262
Transit Routing (ABA) # 043000261
Account # 9040869 SWIFT/BIC IRVTUS3N
FFC to Account Name & Invoice Number

Insight Investment is the corporate brand for the group of companies managed or administered by Insight Investment Management Limited. Insight Investment includes Insight Investment Management (Global) Limited (IIMG), Pareto Investment Management Limited (PIML), Cutwater Asset Management Corp (CAMC) and Cutwater Investor Services Corp (CISC), each of which provides asset management services. This group of companies may be referred to as 'Insight' or 'Insight Investment'.

**Designated Benefit Plan
Fiduciary Liability Coverage
Renewal Information Request**

Travelers Casualty and Surety Company of America

The information requested in this Application is for a Claims-Made policy. If issued, the policy will apply only to claims first made during the policy period, or any applicable extended reporting period.

The limit of liability available to pay losses will be reduced and may be exhausted by the amounts paid as defense expenses. Defense expenses will be applied against the applicable retention or deductible. (For policies issued in New York, the limit of liability may be reduced up to 50% for amounts paid as defense expenses, and may be applied to up to 50% of the applicable deductible or retention.)

GENERAL INFORMATION

Name of Applicant: City Of St.Pete Beach General Employees' Retirement System		Year Established: 1992
Mailing Address: 155 Corey Avenue, St.Pete Beach, FL 33706		
Renewal Effective Date (mm/dd/yyyy): 07/31/2017	Type of Applicant: ☐ Multiemployer Plan ☐ Multiple Employer Plan ☒ Governmental Plan Number of government employees eligible to participate in plan <u>136</u> ☐ Other (explain) _____	

Contact information of the Insurance Representative (the individual or entity designated by the Applicant to act as the Applicant's exclusive agent with respect to this insurance, including paying premiums and the giving or receiving of notices of cancellation, nonrenewal, or change of coverage):

Name of Insurance Representative: Drew Guffey / Gibson & Wirt, Inc.
Mailing Address: P.O. Box 59, Bartow, FL 33831

Complete the table by providing information for the Applicant's existing insurance program:

-Coverage	Date First Purchased	Current Insurer	Expiration Date	Expiring Limit of Liability	Expiring Retention	Expiring Premium
Fiduciary Liability	07/31/16	Tra	07/31/17	\$ 2,000,000.00	\$ 5,000.00	\$6,409.00

TRUST/PLAN INFORMATION

1. Will the Fiduciary Liability Coverage premium be paid by any trust or plan for which coverage is requested? ☒ Yes ☐ No

2. Complete the chart for all trusts or plans for which coverage is requested:

Full Trust or Plan Name	*Type	Current Asset Value	Latest FYE Annual Contributions	Current # of Participants	**Status
St.Pete Beach General Employees' Retirement System	DB	\$ 11,625,585.00	\$ 589,034.00	136	A
		\$	\$		
		\$	\$		

If there are additional plans to be covered, attach details.

*Types: Defined Benefit (DB), Defined Contribution (DC), Welfare Benefit Plan (W), or Other (O) – attach explanation
 **Status: Active (A), Frozen (F), or Terminated (T). If any trust or plan has been terminated, indicate date of transaction.

3. Please provide the names of firms providing the following services:

CPA	Attorney	Actuary	Investment Adviser
Wells, Houser, & Schatzel	Christiansen & Dehner, P.A.	Foster & Foster, Inc.	Greystone Consulting

4. Has the Applicant changed outside auditors in the last 12 months? ☐ N/A ☐ Yes ☒ No

UNDERWRITING INFORMATION

5. Does any trust or plan not conform to the standards of eligibility, participation, vesting, blackout notification requirements, or other provisions of ERISA or any similar or related federal, state, local, or foreign law or regulation governing employee benefits? ☐ Yes ☒ No
 If yes, attach full explanation.
6. Has any trust or plan:
 (a) been the subject of an investigation by the DOL, IRS, or any similar state agency;
 (b) had its tax exempt status withdrawn or threatened to be withdrawn by the IRS;
 (c) filed for an exemption from a prohibited transaction; or
 (d) received an adverse opinion as to its financial condition by an independent public accountant? ☐ Yes ☒ No
 If yes, attach full explanation.
7. If any trust or plan is a defined benefit trust or plan, has such trust or plan:
 (a) experienced an event reportable to the PBGC;
 (b) not been certified by an actuary to be adequately funded in accordance with the minimum funding standard of ERISA or any similar or related federal, state, local, or foreign law or regulation governing employee benefits; or
 (c) been converted into a cash balance plan or is any such conversion expected in the next 12 months? If there are no defined benefit plans, please check "N/A" ☐ N/A ☐ Yes ☒ No
 If yes, attach full explanation.
8. Has any trust or plan:
 (a) been amended within the last 12 months in a way that will result in the reduction of benefits or are any such amendments anticipated within the next 12 months; or
 (b) been merged with another trust or plan or terminated within the past 2 years, or is any such merger or termination anticipated in the next 12 months? ☐ Yes ☒ No
 If yes, attach full explanation.
9. Are there any outstanding or delinquent trust or plan contributions or trust or plan loans, leases, or debt obligations that are in default or classified as uncollectible? ☐ Yes ☒ No
 If yes, attach full details.

LIMIT AND RETENTION INFORMATION

10. Do you desire any changes to the expiring policy limit or retention? ☐ Yes ☒ No
 If yes, indicate the desired changes below.

Coverage	Limit of Liability	Retention
Fiduciary Liability	\$	\$

11. If the requested limit of liability exceeds the limit of liability in the expiring Fiduciary Liability Coverage, answer the following question:
 Solely with respect to any higher limits requested or that may ultimately be issued for the proposed insurance, is the Applicant or any person proposed for this insurance aware of any fact, circumstance, situation, event, or act that reasonably could give rise to a claim against them under the Fiduciary Liability Coverage for which the Applicant is applying? ☐ Yes ☐ No
 If yes, attach full details.

Solely with respect to any portion of the limit of liability for this proposed Fiduciary Liability Coverage that exceeds the amount of the expiring limit of liability for Fiduciary Liability Coverage in the expiring policy, the proposed insurance will not afford coverage for any claim arising from any fact, circumstance, situation, event, or act about which any natural person officer, including any executive director or functional equivalent thereof; member of the board of trustees; in-house risk manager, or in-house general counsel of the Applicant had knowledge prior to the issuance of the proposed policy, nor for any person or entity who knew of such fact, circumstance, situation, event, or act prior to the issuance of the proposed policy.

As part of this Application, provide copies of the documents listed below. The documents, as well as the representations and facts contained within such documents are made a part of this Application; the Insurer may elect to obtain requested information from public sources, including the Internet.

- Financial statements for all trusts or plans
- Most recent 5500 of all ERISA plans
- Schedule of trust and plan trustees
- Sponsor financial statement if Applicant is a multiple employer, government, or quasi-governmental plan

NOTICE REGARDING COMPENSATION

For information about how Travelers compensates independent agents, brokers, or other insurance producers, please visit this website: http://www.travelers.com/w3c/legal/Producer_Compensation_Disclosure.html

If you prefer, you can call the following toll-free number: 1-866-904-8348. Or you can write to us at Travelers, Agency Compensation, One Tower Square, Hartford, CT 06183.

FRAUD WARNINGS

ALABAMA, ARKANSAS, DISTRICT OF COLUMBIA, MARYLAND, NEW MEXICO, AND RHODE ISLAND: Any person who knowingly (or willfully in MD) presents a false or fraudulent claim for payment of a loss or benefit or who knowingly (or willfully in MD) presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.

COLORADO: It is unlawful to knowingly provide false, incomplete, or misleading facts or information to an insurance company for the purpose of defrauding or attempting to defraud the company. Penalties may include imprisonment, fines, denial of insurance, and civil damages. Any insurance company or agent of an insurance company who knowingly provides false, incomplete, or misleading facts or information to a policyholder or claimant for the purpose of defrauding or attempting to defraud the policyholder or claimant with regard to a settlement or award payable from insurance proceeds shall be reported to the Colorado Division of Insurance within the Department of Regulatory Agencies.

FLORIDA: Any person who knowingly and with intent to injure, defraud, or deceive any insurer files a statement of claim or an application containing any false, incomplete, or misleading information is guilty of a felony of the third degree.

KENTUCKY, NEW JERSEY, NEW YORK, OHIO, AND PENNSYLVANIA: Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance or statement of claim containing any materially false information or conceals for the purpose of misleading, information concerning any fact material thereto commits a fraudulent insurance act, which is a crime and subjects such person to criminal and civil penalties. (In New York, the civil penalty is not to exceed five thousand dollars (\$5,000) and the stated value of the claim for each such violation.)

LOUISIANA, MAINE, TENNESSEE, VIRGINIA, AND WASHINGTON: It is a crime to knowingly provide false, incomplete, or misleading information to an insurance company for the purpose of defrauding the company. Penalties include imprisonment, fines, and denial of insurance benefits.

OREGON: Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or who knowingly presents false information in an application for insurance may be guilty of a crime and may be subject to fines and confinement in prison.

PUERTO RICO: Any person who knowingly and with the intention of defrauding presents false information in an insurance application, or presents, helps, or causes the presentation of a fraudulent claim for the payment of a loss or any other benefit, or presents more than one claim for the same damage or loss, shall incur a felony and, upon conviction, shall be sanctioned for each violation with the penalty of a fine of not less than five thousand dollars (\$5,000) and not more than ten thousand dollars (\$10,000), or a fixed term of imprisonment for three (3) years, or both penalties. Should aggravating circumstances be present, the penalty thus established may be increased to a maximum of five (5) years; if extenuating circumstances are present, it may be reduced to a minimum of two (2) years.

SIGNATURE AND AUTHORIZATION

The undersigned Authorized Representative of the Applicant declares that to the best of his or her knowledge and belief, after reasonable inquiry, the statements set forth in this application for insurance, including any supplements or materials made part of this application, are true and complete and may be relied upon by Travelers. If any information in this application, or any supplements or materials submitted therewith, changes prior to the inception date of the policy that Travelers may issue to the Applicant, the Applicant will notify Travelers of such changes and Travelers may modify or

withdraw any outstanding quotation. Travelers is authorized to make any investigation or inquiry in connection with this application.

The signing of this application does not bind Travelers to offer, nor the Applicant to purchase, the insurance. If the policy is issued, it is agreed that this application, including any supplements or materials made part of this application, will have been relied upon by Travelers in issuing the policy, will be the basis of the insurance, and will be, in all states other than NC and UT, considered physically attached to, and part of, the policy.

Authorized Representative Signature*: 	Authorized Representative Name - Printed William J. Palmer	Date (mm/dd/yyyy): 07/12/2017
Producer Signature* (required in FL and IA) x	State Producer License No (required in FL):	Date (mm/dd/yyyy):
Agency:	Agency Contact:	Agency Phone Number:

* If you are electronically submitting this document, apply your electronic signature to this form by checking the Electronic Signature and Acceptance box below. By doing so, you agree that your use of a key pad, mouse, or other device to check the Electronic Signature and Acceptance box constitutes your signature, acceptance, and agreement as if actually signed by you in writing and has the same force and effect as a signature affixed by hand.

- ☐ Electronic Signature and Acceptance – Authorized Representative
☐ Electronic Signature and Acceptance – Producer

Toll-Free ERISA HelpLine

As part of the services provided through Risk Management PLUS+ Online®, Travelers Bond & Specialty Insurance is pleased to provide its Fiduciary Liability policyholders with access to the ERISA HelpLine, a toll-free hotline designed for quick, practical guidance on day-to-day workplace issues.

To utilize the HelpLine, call **1-888-401KLAW (1-888-401-5529)**.

Through the ERISA HelpLine, policyholders are eligible to receive up to one hour of consultation with an ERISA attorney from the law firm of Morgan Lewis at no charge. Morgan Lewis is a global law firm with a national ERISA practice and more than 1,400 lawyers in 22 offices throughout the world.

The ERISA HelpLine is designed to provide general guidance on issues relating to employee benefits and ERISA law. From reviewing issues related to contingent workers to questions about HIPAA, attorneys from Morgan Lewis are there to help you. The ERISA HelpLine is available toll-free from anywhere in the United States.

We encourage policyholders to take advantage of this no-cost hotline. For more information about the hotline, go to

This material does not amend, or otherwise affect, the provisions or coverages of any insurance policy or bond issued by Travelers. It is not a representation that coverage does or does not exist for any particular claim or loss under any such policy or bond. Coverage depends on the facts and circumstances involved in the claim or loss, all applicable policy or bond provisions, and any applicable law. Availability of coverage referenced in this document can depend on underwriting qualifications and state regulations.

Travelers Casualty and Surety Company of America, and its property casualty affiliates,
1 Tower Square, Hartford, CT 06183



July 20, 2017

CITY OF ST. PETE BEACH GENERAL EMPLOYEES' RETIREMENT SYSTEM
155 COREY AVENUE
St. Pete Beach, FL 33706

Re: Important Information about Claims Information Line

Dear **CITY OF ST. PETE BEACH GENERAL EMPLOYEES' RETIREMENT SYSTEM**

Travelers Bond & Specialty Insurance is pleased to announce its **1-800-842-8496** Claims Information Line. This line is designed to provide insureds with an additional resource on how to report claims or those circumstances or events which may become claims.

Policyholders will be able to obtain assistance on the following topics from the Claims Information Line:

- The information that needs to be included with the claim notice
- The address, electronic mail address and/or facsimile number to which the policyholder can send claims related information
- Get questions on the claim process answered

The Declarations Page of your policy sets forth where you should report claims and claims related information. You should also review the policy's reporting requirements to be aware of how much time you have to report a claim to Travelers. The sooner Travelers is notified, the sooner we can become involved in the process and offer assistance to our policyholder. A delay in reporting may result in all or part of a matter to fall outside of the coverage provided.

The Claims Information Line should streamline the claim reporting process and allow policyholders to ask questions on what information is needed as well as other questions which will assist them in working with Travelers. While the Claims Information Line provides policyholders a valuable resource by answering questions and providing information, the line does not replace the reporting requirements contained in the Policy.

We hope this improvement to customer service is something our policyholders will find helps them understand the claim process and provides them a resource for reporting.

Best regards,
Katie E McDowell



One Tower Square
Hartford, CT 06183

07/20/2017

CITY OF ST. PETE BEACH GENERAL EMPLOYEES' RETIREMENT SYSTEM
155 COREY AVENUE
St. Pete Beach, FL 33706

RE: Risk Management PLUS+ Online® from Travelers Bond & Specialty Insurance ()

Travelers Bond & Specialty Insurance is pleased to provide you with Risk Management PLUS+ Online, the industry's most comprehensive program for mitigating your management liability and crime exposures related to:

- Employment practices risks
- Employee Pension and Benefit Plan Fiduciary Liability
- Directors & Officers Liability
- Employee dishonesty and other crime related risks
- Kidnap and Ransom
- CyberRisk
- Identity Fraud Expense Reimbursement
- Professional liability

Risk Management PLUS+ Online is a flexible, comprehensive loss prevention program specifically designed for Travelers Bond & Specialty Insurance customers and is available to you at no additional cost. Included in the site is a library of articles, checklists and training on relevant risk mitigation, employment and management topics.

Risk Management PLUS+ Online is a full-featured knowledge base developed to aid you in more than just protection against lawsuits, but as a great resource for HR administrators, managers and executives as well. Browse from the Quick Links or News & Information sections. Share industry articles with managers and executive leaders to help develop ideas to increase workplace productivity, solutions for business issues and more!

Highlights of Risk Management PLUS+ Online services include:

- Web-based training for executives, managers and human resource personnel
- Practical solutions for problems faced in the workplace and managing your organization
- Topical webinars and weekly articles on current issues
- Model Employee Handbook, including policies and forms for downloading or printing that reduce risks in the workplace

The attached Risk Management PLUS+ Online Registration Instructions contain easy, step-by-step instructions to register for this valuable tool. For more information, call 1-888-712-7667 and ask for your Risk Management PLUS+ Online representative. It's that simple.

SPECIMEN - QUOTE 1

07/20/2017

We strongly encourage you to take full advantage of this program to improve your organization.

Thank you for choosing Travelers Bond & Specialty Insurance for your insurance needs. Travelers is a market leader in providing management liability and crime coverages that are specifically customized for your organization. As your risks evolve, so do we, through our ability to provide you with responsive risk management services.

Instructions for Registration & Orientation to Risk Management PLUS+ Online®

Registration for Site Administrators:

The Site Administrator is the person in your organization who will oversee Risk Management PLUS+ Online for the organization. The Site Administrator is typically a person who leads human resources and/or financial functions or is responsible for legal matters pertaining to personnel. The Site Administrator may add other Site Administrators later to assist with their responsibilities. To register:

1. Go to
2. In the Sign-In box, click **Register**.
3. Enter the password/passcode: TRVP120000
4. Fill in the Registration Information and click **Submit**.
5. Your organization is registered, and you are registered as Site Administrator.

Learning to Navigate the Site:

1. Go to . On each page, you will see a box outlined in blue that contains the instructions for use of that page.
2. If you have any questions, just click on **Contact Us** on the front page. Enter your question in the form provided, and the System Administrator will get back to you quickly with the answer.
3. You can also schedule a live walk-through of the site by sending a request for a walk-through via the contact link on the front page.

IMPORTANT NOTICE REGARDING INDEPENDENT AGENT AND BROKER COMPENSATION

For information on how Travelers compensates independent agents, brokers, or other insurance producers, please visit this website: www.travelers.com/w3c/legal/Producer_Compensation_Disclosure.html

If you prefer, you can call the following toll-free number: 1-866-904-8348. Or you can write to us at Travelers, Agency Compensation, One Tower Square, Hartford, CT 06183.

FLORIDA IMPORTANT NOTICE

To present inquiries, obtain information about coverage or make a complaint:

You may contact your agent first, or you may call us for information or to make a complaint at:

860-954-2382

You may also write to us at:

Travelers
Consumer Affairs
One Tower Square 5GS
Hartford, CT 06183-9079

ATTACH THIS NOTICE TO YOUR POLICY:

This notice is for information only and does not become a part or condition of the attached document.

SPECIMEN - QUOTE

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CAP ON LOSSES FROM CERTIFIED ACTS OF TERRORISM ENDORSEMENT

This endorsement modifies any Coverage Part or coverage Form included in this policy that is subject to the federal Terrorism Risk Insurance Act of 2002 as amended.

It is agreed that:

The following is added to this policy. This provision can limit coverage for any loss arising out of a **Certified Act Of Terrorism** if such loss is otherwise covered by this policy. This provision does not apply if and to the extent that coverage for the loss is excluded or limited by an exclusion or other coverage limitation for losses arising out of **Certified Acts Of Terrorism** in another endorsement to this policy.

If aggregate insured losses attributable to **Certified Acts Of Terrorism** exceed \$100 billion in a calendar year and the Company has met its insurer deductible under **TRIA**, the company will not be liable for the payment of any portion of the amount of such losses that exceeds \$100 billion, and in such case, insured losses up to that amount are subject to pro rata allocation in accordance with procedures established by the Secretary of the Treasury.

Certified Act Of Terrorism means an act that is certified by the Secretary of the Treasury, in accordance with the provisions of **TRIA**, to be an act of terrorism pursuant to **TRIA**. The criteria contained in **TRIA** for a **Certified Act Of Terrorism** include the following:

1. The act resulted in insured losses in excess of \$5 million in the aggregate, attributable to all types of insurance subject to **TRIA**; and
2. The act is a violent act or an act that is dangerous to human life, property or infrastructure and is 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.

TRIA means the federal Terrorism Risk Insurance Act of 2002 as amended.

Nothing herein contained shall be held to vary, alter, waive or extend any of the terms, conditions, exclusions or limitations of the above-mentioned policy, except as expressly stated herein. This endorsement is part of such policy and incorporated therein.

Issuing Company: **Travelers Casualty and Surety Company of America**
Policy Number: **105972346**

FEDERAL TERRORISM RISK INSURANCE ACT DISCLOSURE ENDORSEMENT

This endorsement applies to the insurance provided under any Coverage Part or coverage Form included in this policy that is subject to the federal Terrorism Risk Insurance Act of 2002 as amended.

The federal Terrorism Risk Insurance Act of 2002 as amended ("TRIA"), establishes a program under which the Federal Government may partially reimburse "Insured Losses" (as defined in TRIA) caused by "Acts Of Terrorism" (as defined in TRIA). Act Of Terrorism is defined in Section 102(1) of TRIA to mean 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 carriers or vessels 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.

The Federal Government's share of compensation for such Insured Losses is established by TRIA and is a percentage of the amount of such Insured Losses in excess of each Insurer's "Insurer Deductible" (as defined in TRIA), subject to the "Program Trigger" (as defined in TRIA). Through 2020, that percentage is established by TRIA as follows:

- 85% with respect to such Insured Losses occurring in calendar year 2015.
- 84% with respect to such Insured Losses occurring in calendar year 2016.
- 83% with respect to such Insured Losses occurring in calendar year 2017.
- 82% with respect to such Insured Losses occurring in calendar year 2018.
- 81% with respect to such Insured Losses occurring in calendar year 2019.
- 80% with respect to such Insured Losses occurring in calendar year 2020.

In no event, however, will the Federal Government be required to pay any portion of the amount of such Insured Losses occurring in a calendar year that in the aggregate exceeds \$100 billion, nor will any Insurer be required to pay any portion of such amount provided that such Insurer has met its Insurer Deductible. Therefore, if such Insured Losses occurring in a calendar year exceed \$100 billion in the aggregate, the amount of any payments by the Federal Government and any coverage provided by this policy for losses caused by Acts Of Terrorism may be reduced.

For each coverage provided by this policy that applies to such Insured Losses, the charge for such Insured Losses is no more than one percent of your premium, and does not include any charge for the portion of such Insured Losses covered by the Federal Government under TRIA. Please note that no separate additional premium charge has been made for the terrorism coverage required by TRIA. The premium charge that is allocable to such coverage is inseparable from and imbedded in your overall premium.

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This endorsement changes the following:

Designated Benefit Plan Fiduciary Liability

It is agreed that:

The following is added to the **Policy**:

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B.	EXCLUSIONS APPLICABLE TO ALL LOSS, OTHER THAN DEFENSE EXPENSES	5
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Nothing herein contained shall be held to vary, alter, waive or extend any of the terms, conditions, exclusions or limitations of the above-mentioned policy, except as expressly stated herein. This endorsement is part of such policy and incorporated therein.

Issuing Company: Travelers Casualty and Surety Company of America

Policy Number: 105972346

DBP-17055 Ed. 11-12

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SPECIMEN - QUOTE 1

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DESIGNATED BENEFIT PLAN FIDUCIARY LIABILITY COVERAGE

**THIS IS A CLAIMS MADE COVERAGE WITH DEFENSE EXPENSES INCLUDED IN THE LIMIT OF LIABILITY.
PLEASE READ ALL TERMS CAREFULLY.**

I. INSURING AGREEMENTS

- A. The Company will pay on behalf of the **Insured, Loss** for any **Claim** first made during the **Policy Period**, or if exercised, during the **Extended Reporting Period** or **Run-Off Extended Reporting Period**, for a **Wrongful Act**.
- B. The Company will pay on behalf of the **Insured, Settlement Fees** and **Defense Expenses** incurred by the **Insured** in connection with any **Settlement Program Notice**; provided that participation by the **Insured** in any **Settlement Program** commences during the **Policy Period** or, if exercised, during the **Extended Reporting Period** or **Run-Off Extended Reporting Period**.

II. DEFINITIONS

Wherever appearing in this **Policy**, the following words and phrases appearing in bold type will have the meanings set forth in this section II. **DEFINITIONS**:

- A. **Additional Defense Limit of Liability** means the amount set forth in ITEM 5 of the Declarations. If "**Not Applicable**" is selected for the **Additional Defense Limit of Liability**, then any reference to the **Additional Defense Limit of Liability** will be deemed to be deleted from this **Policy**.
- B. **Administration** means:
 - 1. giving counsel, advice, or notice to participants or beneficiaries with respect to a **Benefit Plan**;
 - 2. interpreting a **Benefit Plan**;
 - 3. handling records in connection with a **Benefit Plan**; or
 - 4. effecting enrollment, termination or cancellation of participants or beneficiaries under a **Benefit Plan**.
- C. **Annual Reinstatement of the Limit of Liability** means, if included in ITEM 10 of the Declarations, the reinstatement of each applicable limit of liability for each **Policy Year** during the **Policy Period**.
- D. **Application** means the application deemed to be attached to and forming a part of this **Policy**, including any materials submitted and statements made in connection with that application. If the **Application** uses terms or phrases that differ from the terms defined in this **Policy**, no inconsistency between any term or phrase used in the **Application** and any term defined in this **Policy** will waive or change any of the terms, conditions and limitations of this **Policy**.
- E. **Benefit Plan** means only those plans or trusts set forth in ITEM 1 of the Declarations or those plans or trusts designated within an endorsement to this **Policy**.
- F. **Benefit Plan Committee** means any committee of the **Benefit Plan**, including any **Benefit Plan** investment or administration committee, that is established by the **Benefit Plan** and that is comprised entirely of **Insured Persons**.

- G. *Benefit Plan Official*** means a natural person officer, including any executive director or functional equivalent thereof; member of the board of trustees; in-house risk manager; or in-house general counsel of the **Benefit Plan**.
- H. *Change of Control*** means:
1. the full assumption of fiduciary responsibilities or **Administration**, with respect to a **Benefit Plan** by one or more other persons or entities; or
 2. the acquisition of a **Benefit Plan**, or of all or substantially all of its assets, by another entity, or the merger or consolidation of a **Benefit Plan** into or with another entity or employee benefit plan such that the **Benefit Plan** is not the surviving entity.
- I. *Claim*** means:
1. a written demand for monetary damages or non-monetary relief;
 2. a civil proceeding commenced by service of a complaint or similar pleading;
 3. a criminal proceeding commenced by filing of charges;
 4. a formal administrative or regulatory proceeding commenced by filing of a notice of charges, formal investigative order, service of summons or similar document, including a fact-finding investigation by the Department of Labor or the Pension Benefit Guaranty Corporation;
 5. an arbitration, mediation or similar alternative dispute resolution proceeding if the **Insured** is obligated to participate in such proceeding or if the **Insured** agrees to participate in such proceeding, with the Company's written consent, such consent not to be unreasonably withheld; or
 6. a written request to toll or waive a statute of limitations relating to a potential civil or administrative proceeding,
- against an **Insured** for a **Wrongful Act**.
- A **Claim** will be deemed to have been made on the earliest date written notice thereof is received by an **Insured**.
- J. *Defense Expenses*** means reasonable and necessary legal fees and expenses incurred by the Company or the **Insured**, with the Company's consent, in the investigation, defense, settlement and appeal of a **Claim**, including cost of expert consultants and witnesses, premiums for appeal, injunction, attachment or supersedeas bonds (without the obligation to furnish such bonds) regarding such **Claim**; provided that **Defense Expenses** will not include the salaries, wages, benefits or overhead of, or paid to, any **Insured** or any employee of such **Insured**.
- K. *HIPAA*** means the Health Insurance Portability and Accountability Act of 1996, as amended.
- L. *Insurance Representative*** means the entity or person so designated by endorsement to this **Policy**.
- M. *Insured*** means:
1. the **Insured Persons**;
 2. any **Benefit Plan**; and
 3. any **Benefit Plan Committee** in its capacity as a fiduciary or trustee of a **Benefit Plan**, or in its **Administration** of a **Benefit Plan**.

- N. **Insured Person** means any natural person who was, is now or becomes a trustee; committee member; officer; in-house general counsel; or employee of a **Benefit Plan**, but only while acting in his or her capacity as a fiduciary of a **Benefit Plan** or as a person performing **Administration**.

In the event of the death, incapacity or bankruptcy of an **Insured Person**, any **Claim** against the estate, heirs, legal representatives or assigns of such **Insured Person** for a **Wrongful Act** of such **Insured Person** will be deemed to be a **Claim** against such **Insured Person**.

- O. **Loss** means **Defense Expenses** and money which an **Insured** is legally obligated to pay as a result of a **Claim**, including settlements; judgments; compensatory damages; punitive or exemplary damages or the multiple portion of any multiplied damage award if insurable under the applicable law most favorable to the insurability of punitive, exemplary, or multiplied damages; prejudgment and post judgment interest; and legal fees and expenses awarded pursuant to a court order or judgment; and solely with respect to section I. INSURING AGREEMENTS B. of this **Policy**, **Settlement Fees**. **Loss** does not include:

1. civil or criminal fines (except **Settlement Fees** pursuant to Insuring Agreement B.; **Section 502(c) Penalties**; civil penalties under Sections 502(i) and 502(l) of the Employee Retirement Income Security Act of 1974, as amended; or civil penalties under the privacy provisions of **HIPAA**); sanctions; liquidated damages; payroll or other taxes; or damages or types of relief deemed uninsurable under applicable law;
2. payment of medical benefits, pension benefits, severance, or any other benefit provided under a **Benefit Plan** which are or may become due, except to the extent that such sums are payable as a personal obligation of an **Insured Person**, because of such **Insured Person's Wrongful Act**; provided that this exclusion will not apply to:
 - a. the Company's obligation to defend any **Claim**, if applicable, or to pay, advance or reimburse **Defense Expenses**, regarding a **Claim** seeking such benefits; or
 - b. that portion of any damage, settlement or judgment covered as **Loss** under this **Policy** that represents a loss to any **Benefit Plan**, or loss to any account of a participant in any **Benefit Plan**, by reason of a change in value of any investments held by such **Benefit Plan** or such account, notwithstanding that such portion of any such damage, settlement or judgment has been characterized by plaintiffs, or held by a court of law, to be "benefits"; or
3. any amount allocated to non-covered loss pursuant to section V. CONDITIONS, R. ALLOCATION, of this **Policy**.

- P. **Policy** means, collectively, the Declarations, the **Application**, this Designated Benefit Plan Fiduciary Liability Coverage, and any endorsements attached hereto.

- Q. **Policy Period** means the period from the Inception Date to the Expiration Date set forth in ITEM 3 of the Declarations. In no event will the **Policy Period** continue past the effective date of cancellation or termination of this **Policy**.

- R. **Policy Year** means:

1. the period of one year following the Inception Date set forth in ITEM 3 of the Declarations or any anniversary thereof; and
2. the time between the Inception Date set forth in ITEM 3 of the Declarations or any anniversary thereof and the effective date of cancellation or termination of this **Policy** if such time period is less than one year.

- S. **Pollutant** means any solid, liquid, gaseous, or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

- T. **Potential Claim** means any **Wrongful Act** that may subsequently give rise to a **Claim**.
- U. **Related Wrongful Act** means all **Wrongful Acts** that have as a common nexus, or are causally connected by reason of, any fact, circumstance, situation, event or decision.
- V. **Section 502(c) Penalties** means civil penalties imposed on any **Insured** pursuant to Section 502(c) of the Employee Retirement Income Security Act of 1974, as amended.
- W. **Settlement Fees** mean any fees, penalties or sanctions imposed by law under a **Settlement Program** that any **Insured** becomes legally obligated to pay as a result of a **Wrongful Act**. **Settlement Fees** will not include any costs or expenses other than such fees, penalties or sanctions.
- X. **Settlement Program** means any voluntary compliance resolution program or similar voluntary settlement program, administered by the Internal Revenue Service or Department of Labor of the United States, including the Employee Plans Compliance Resolution System, the Self Correction Program, the Audit Closing Agreement Plan, the Delinquent Filer Voluntary Compliance program, and the Voluntary Fiduciary Correction program, entered into by a **Benefit Plan**.
- Y. **Settlement Program Notice** means a prior written notice to the Company by the **Insured** of the **Insured's** intent to enter into a **Settlement Program**.
- Z. **Wrongful Act** means:
1. any actual or alleged breach of fiduciary duty by or on behalf of the **Insured** with respect to any **Benefit Plan**, including:
 - a. any actual or alleged breach of duties, obligations and responsibilities imposed by the Employee Retirement Income Security Act of 1974, as amended, COBRA, HIPAA, or by any similar or related federal, state, local, or foreign law or regulation, in the discharge of the **Insured's** duties with respect to a **Benefit Plan**; or
 - b. any other matter claimed against an **Insured** solely because of the **Insured's** status as a fiduciary of a **Benefit Plan**; or
 2. any actual or alleged negligent act, error or omission by or on behalf of the **Insured** in the **Administration** of a **Benefit Plan**.

All **Related Wrongful Acts** are a single **Wrongful Act** for purposes of this **Policy**, and all **Related Wrongful Acts** will be deemed to have occurred at the time the first of such **Related Wrongful Acts** occurred whether prior to or during the **Policy Period**.

III. **EXCLUSIONS**

A. **EXCLUSIONS APPLICABLE TO ALL LOSS**

1. The Company will not be liable for **Loss** for any **Claim** for any damage to, or destruction of, loss of, or loss of use of, any tangible property including damage to, destruction of, loss of, or loss of use of, tangible property that results from inadequate or insufficient protection from soil or ground water movement, soil subsidence, mold, toxic mold, spores, mildew, fungus, or wet or dry rot.
2. The Company will not be liable for **Loss** for any **Claim** for any bodily injury, sickness, disease, death, loss of consortium, emotional distress, mental anguish, or humiliation.
3. The Company will not be liable for **Loss** for any **Claim**:
 - a. based upon or arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of any **Pollutant**;

- b. based upon or arising out of any request, demand, order, or statutory or regulatory requirement that any **Insured** or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, any **Pollutant**, or
- c. brought by or on behalf of any governmental authority because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, any **Pollutant**;

provided this exclusion will not apply to any **Claim** by or on behalf of a beneficiary of, or participant in, any **Benefit Plan** based upon, arising from or in consequence of the diminution in value of any securities owned by the **Benefit Plan** in any organization if such diminution in value is allegedly as a result of a **Pollutant**.

- 4. The Company will not be liable for **Loss** for any **Claim** for any liability of others assumed by an **Insured** under any contract or agreement, whether oral or written, other than a **Benefit Plan**, except to the extent that the **Insured** would have been liable in the absence of such contract or agreement.
- 5. The Company will not be liable for **Loss** for any **Claim** for any violation of responsibilities, duties or obligations under any law concerning Social Security, unemployment insurance, workers' compensation, disability insurance, or any similar or related federal, state or local law or regulation other than COBRA, HIPAA or the Employee Retirement Income Security Act of 1974, including amendments thereto and regulations promulgated thereunder or any similar common or statutory law.
- 6. The Company will not be liable for **Loss** for any **Claim** based upon or arising out of any fact, circumstance, situation, event or **Wrongful Act** underlying or alleged in any prior or pending civil, criminal, administrative or regulatory proceeding against any **Insured** as of or prior to the applicable Prior and Pending Proceeding Date set forth in ITEM 5 of the Declarations for this **Policy**.
- 7. The Company will not be liable for **Loss** for any **Claim** for any fact, circumstance, situation or event that is or reasonably would be regarded as the basis for a claim about which any **Benefit Plan Official** had knowledge prior to the applicable Continuity Date set forth in ITEM 5 of the Declarations for this **Policy**.
- 8. The Company will not be liable for **Loss** for any **Claim** based upon or arising out of any fact, circumstance, situation, event, or **Wrongful Act** which, before the Inception Date set forth in ITEM 3 of the Declarations, was the subject of any notice of claim or potential claim given by or on behalf of any **Insured** under any policy of insurance of which this **Policy** is a direct renewal or replacement or which it succeeds in time.

B. EXCLUSIONS APPLICABLE TO LOSS, OTHER THAN DEFENSE EXPENSES

- 1. The Company will not be liable for **Loss**, other than **Defense Expenses**, for any **Claim** based upon or arising out of any **Insured**:
 - a. committing any intentionally dishonest or fraudulent act or omission;
 - b. committing any willful violation of any statute, rule, or law; or
 - c. gaining any profit, remuneration or advantage to which such **Insured** was not legally entitled;

provided that this exclusion will not apply unless a final adjudication establishes that such **Insured** committed such intentionally dishonest or fraudulent act or omission, willful violation of any

statute, rule or law, or gained such profit, remuneration or advantage to which such **Insured** was not legally entitled.

2. The Company will not be liable for **Loss**, other than **Defense Expenses**, for any **Claim** seeking costs and expenses incurred or to be incurred to comply with an order, judgment or award of injunctive or other equitable relief of any kind, or that portion of a settlement encompassing injunctive or other equitable relief, including actual or anticipated costs and expenses associated with or arising from an **Insured's** obligation to provide reasonable accommodation under, or otherwise comply with, the Americans With Disabilities Act or the Rehabilitation Act of 1973, including amendments thereto and regulations promulgated thereunder, or any similar or related federal, state or local law or regulation.
3. The Company will not be liable for **Loss**, other than **Defense Expenses**, for any **Claim**:
 - a. based upon or arising out of the failure to collect from employers any contributions owed to a **Benefit Plan**, unless the failure is the result of a negligence by any **Insured**; or
 - b. for the return of any contributions to any employer if such amounts are or could be chargeable to a **Benefit Plan**.

C. EXCLUSIONS APPLICABLE TO INSURING AGREEMENT B

The Company will pay no **Settlement Fees** or **Defense Expenses** with respect to any **Claim** or investigation in connection with a **Settlement Program**, of which any **Insured** first became aware or received notice prior to the applicable Prior and Pending Proceeding Date set forth in ITEM 5 of the Declarations for this **Policy**.

IV. SEVERABILITY OF EXCLUSIONS

No conduct of any **Insured** will be imputed to any other **Insured** to determine the application of any of the exclusions set forth in section III. EXCLUSIONS above.

V. CONDITIONS

A. TERRITORY

This **Policy** applies to **Claims** made or **Wrongful Acts** occurring anywhere in the world, where legally permissible.

B. RETENTION

The **Insured** shall bear uninsured at its own risk the amount of any applicable Retention, which amount must be paid in satisfaction of **Loss**.

If any **Claim** gives rise to coverage under this **Policy**, the Company has no obligation to pay **Loss**, including **Defense Expenses**, until the applicable Retention amount set forth in ITEM 5 of the Declarations has been paid by the **Insured**.

If any **Claim** is subject to different Retentions under this **Policy**, the applicable Retentions will be applied separately to each part of such **Claim**, but the sum of such Retentions will not exceed the largest applicable Retention under this **Policy**.

The Company, at its sole discretion, may pay all or part of the Retention amount on behalf of any **Insured**, and in such event, the **Insureds** agree to repay the Company any amounts so paid.

However, none of the Retention amounts set forth in ITEM 5 of the Declarations will apply to:

1. **Settlement Fees** under section I. INSURING AGREEMENTS, B., of this **Policy**;

2. **502(c) Penalties**; or
3. civil penalties under the privacy provisions of HIPAA.

C. LIMIT OF LIABILITY

1. **Limit of Liability**

Regardless of the number of persons or entities bringing **Claims** or the number of persons or entities who are **Insureds**, and regardless of when payment is made by the Company or when an **Insured's** legal obligation with regard thereto arises or is established, and further subject to any applicable **Annual Reinstatement of the Limit of Liability**, the Company's maximum limit of liability for all **Loss**, including **Defense Expenses**, for all **Claims** under this **Policy** will not exceed the remaining **Limit of Liability** stated in **ITEM 5** of the **Declarations**.

2. **Settlement Program Limit of Liability**

The Company's maximum limit of liability for all **Settlement Fees** and **Defense Expenses** in connection with each **Settlement Program Notice** will not exceed the amount set forth in **ITEM 5** of the **Declarations** as the **Settlement Program Limit of Liability** for each **Settlement Program Notice**, which amount is included within, and not in addition to, any applicable limit of liability. However, if **ITEM 5** of the **Declarations** indicates that **Additional Defense Coverage** is applicable, **Defense Expenses** incurred in connection with a **Settlement Program Notice** will apply first to and reduce the remaining **Additional Defense Limit of Liability**; provided that the **Settlement Program Limit of Liability** will be reduced and may be exhausted by payment of such **Defense Expenses** under the **Additional Defense Limit of Liability**.

Furthermore, in the event a **Claim** covered under **Insuring Agreement A.** and a **Settlement Program Notice** covered under **Insuring Agreement B.** arise from the same facts, circumstances, situations, or events, the Company's maximum limit of liability under **Insuring Agreement B.** for the **Settlement Program Notice** will not exceed the amount set forth in **ITEM 5** of the **Declarations** as the **Settlement Program Limit of Liability** for each **Settlement Program Notice**, but such limit will apply only to all **Settlement Fees** in connection with such **Settlement Program Notice**. In such an event, **Defense Expenses** incurred in connection with the **Claim** and the **Settlement Program Notice** will be subject to the **Limit of Liability** for each **Claim** stated in **ITEM 5** of the **Declarations**.

3. **HIPAA Limit of Liability**

The Company's maximum limit of liability for all civil money penalties under the privacy provisions of **HIPAA** will not exceed the amount set forth in **ITEM 5** of the **Declarations** as the **HIPAA Limit of Liability**, which amount is included within, and not in addition to, any applicable limit of liability.

4. **502(c) Penalties Limit of Liability**

The Company's maximum limit of liability for all **Section 502(c) Penalties** will not exceed the amount set forth in **ITEM 5** of the **Declarations** as the **Section 502(c) Penalties Limit of Liability**, which amount is included within, and not in addition to, any applicable limit of liability.

5. **Annual Reinstatement of the Limit of Liability**

Regardless of the number of persons or entities bringing **Claims** or the number of persons or entities who are **Insureds**, and regardless of when payment is made by the Company or when an **Insured's** legal obligation with regard thereto arises or is established, if **ITEM 10** of the **Declarations** includes an **Annual Reinstatement of the Limit of Liability**:

- a. the Company's maximum limit of liability for all **Loss**, including **Defense Expenses**, for all **Claims** made during each **Policy Year** will not exceed the remaining limit of liability stated in **ITEM 5** of the **Declarations**; and

- b. with regard to the Extended Reporting Period or the Run-Off Extended Reporting Period, if applicable, the Company's maximum limit of liability for all **Claims** made during the Extended Reporting Period or the Run-Off Extended Reporting Period will not exceed the remaining limit of liability for the last **Policy Year** in effect at the time of the termination or cancellation of this **Policy** or the **Change of Control**.

6. **Other Provisions**

Payment of **Defense Expenses** will reduce and may exhaust all applicable limits of liability. In the event the amount of **Loss** exceeds the portion of the applicable limit of liability remaining after prior payments of **Loss**, the Company's liability will not exceed the remaining amount of the applicable limit of liability. In no event will the Company be obligated to make any payment for **Loss**, including **Defense Expenses**, with regard to a **Claim** after the applicable limit of liability has been exhausted by payment or tender of payment of **Loss**.

If the limit of liability is exhausted by the payment of amounts covered under this **Policy**, the premium for this **Policy** will be fully earned, all obligations of the Company under this **Policy** will be completely fulfilled and exhausted, including any duty to defend, and the Company will have no further obligations of any kind or nature whatsoever under this **Policy**.

D. **ADDITIONAL DEFENSE COVERAGE**

Regardless of the number of persons or entities bringing **Claims** or the number of persons or entities who are **Insureds**, and regardless of when payment is made by the Company or when an **Insured's** legal obligation with regard thereto arises or is established, if ITEM 5 of the Declarations indicates that this **Policy** includes Additional Defense Coverage, **Defense Expenses** incurred by the Company or the **Insured**, with the Company's consent, in the defense of any **Claim** made during the **Policy Period** under this **Policy** will apply first to and reduce the **Additional Defense Limit of Liability**. The **Additional Defense Limit of Liability** will be in addition to, and not part of, the Limit of Liability. The **Additional Defense Limit of Liability** is applicable to **Defense Expenses** only. If the Annual Reinstatement of the **Limit of Liability** is applicable, the **Additional Defense Limit of Liability** will be reinstated for each **Policy Year**.

Upon exhaustion of the **Additional Defense Limit of Liability**:

1. **Defense Expenses** incurred by the Company or the **Insured**, with the Company's consent, in the defense of a **Claim** are part of and not in addition to any applicable limit of liability; and
2. payment by the Company or the **Insured**, with the Company's consent, of **Defense Expenses** reduces any applicable limit of liability.

E. **CLAIM DEFENSE**

1. If Duty-to-Defend coverage is provided with respect to this **Policy** as indicated in ITEM 7 of the Declarations, the Company will have the right and duty to defend any **Claim** covered by this **Policy**, even if the allegations are groundless, false or fraudulent, including the right to select defense counsel with respect to such **Claim**; provided that the Company will not be obligated to defend or to continue to defend any **Claim** after the applicable limit of liability has been exhausted by payment of **Loss**.
2. If Reimbursement coverage is provided with respect to this **Policy** as indicated in ITEM 7 of the Declarations:
 - a. the Company will have no duty to defend any **Claim** covered by this **Policy**. It will be the duty of the **Insured** to defend such **Claims**; and the Company will have the right to participate with the **Insured** in the investigation, defense and settlement, including the negotiation of a settlement of any **Claim** that appears reasonably likely to be covered in whole or in part by this **Policy** and the selection of appropriate defense counsel; and

- b. upon written request, the Company will advance **Defense Expenses** with respect to such **Claim**. Such advanced payments by the Company will be repaid to the Company by the **Insureds** severally according to their respective interests in the event and to the extent that the **Insureds** are not entitled to payment of such **Defense Expenses** under this **Policy**. As a condition of any payment of **Defense Expenses** under this subsection, the Company may require a written undertaking on terms and conditions satisfactory to the Company guaranteeing the repayment of any **Defense Expenses** paid to or on behalf of any **Insured** if it is finally determined that any such **Claim** or portion of any **Claim** is not covered under this **Policy**.

3. The **Insured** agrees to cooperate with the Company and, upon the Company's request, assist in making settlements and in the defense of **Claims** and in enforcing rights of contribution or indemnity against any person or entity which may be liable to the **Insured** because of an act or omission insured under this **Policy**, will attend hearings and trials and assist in securing and giving evidence and obtaining the attendance of witnesses.

F. INSURED'S DUTIES IN THE EVENT OF A CLAIM OR SETTLEMENT PROGRAM NOTICE

The **Insured's** duty to report a **Claim** commences on the earliest date a written notice thereof is received by a **Benefit Plan Official**. If a **Benefit Plan Official** becomes aware that a **Claim** has been made against any **Insured**, the **Insured**, as a condition precedent to any rights under this **Policy**, must give to the Company written notice of the particulars of such **Claim**, including all facts related to any alleged **Wrongful Act**, the identity of each person allegedly involved in or affected by such **Wrongful Act**, and the dates of the alleged events, as soon as practicable. The **Insured** agrees to give the Company such information, assistance and cooperation as it may reasonably require.

All notices of **Claims** and **Settlement Program Notices** must be sent to the Company by email, facsimile, or mail as set forth in ITEM 4 of the Declarations and will be effective upon receipt. The **Insured** agrees not to voluntarily settle any **Claim** or enter into a **Settlement Program**, make any settlement offer, assume or admit any liability or, except at the **Insured's** own cost, voluntarily make any payment, pay or incur any **Defense Expenses** or **Settlement Fees**, or assume any obligation or incur any other expense, without the Company's prior written consent, such consent not to be unreasonably withheld. The Company is not liable for any settlement, **Defense Expenses**, **Settlement Fees**, assumed obligation or admission to which it has not consented.

G. NOTICE OF POTENTIAL CLAIMS

If an **Insured** first becomes aware of a **Potential Claim** during the **Policy Period**, and gives the Company written notice of the particulars of such **Potential Claim**, including all facts related to the **Wrongful Act**, the identity of each person allegedly involved in or affected by such **Wrongful Act**, the dates of the alleged events, and the reasons for anticipating a **Claim**, as soon as practicable during the **Policy Period**, or if exercised, during the Extended Reporting Period or Run-Off Extended Reporting Period, any **Claim** subsequently made against any **Insured** arising out of such **Wrongful Act** will be deemed to have been made during the **Policy Period**.

All notices under this subsection must be sent to the Company by email, facsimile, or mail as set forth in ITEM 4 of the Declarations and will be effective upon receipt.

H. RELATED CLAIMS

All **Claims** or **Potential Claims** for **Related Wrongful Acts** will be considered as a single **Claim** or **Potential Claim**, whichever is applicable, for purposes of this **Policy**. All **Claims** or **Potential Claims** for **Related Wrongful Acts** will be deemed to have been made at the time the first of such **Claims** or **Potential Claims** for **Related Wrongful Acts** was made whether prior to or during the **Policy Period**, or if exercised, during the Extended Reporting Period or Run-Off Extended Reporting Period.

I. SETTLEMENT

The Company may, with the written consent of the **Insured**, make such settlement or compromise of any **Claim** as the Company deems expedient. In the event that the Company recommends an offer of

settlement of any **Claim** which is acceptable to the claimant(s) (a "Settlement Offer"), and if the **Insured** refuses to consent to such Settlement Offer, the **Insured** will be solely responsible for 30% of all **Defense Expenses** incurred or paid by the **Insured** after the date the **Insured** refused to consent to the Settlement Offer, and the **Insured** will also be responsible for 30% of all **Loss**, other than **Defense Expenses**, in excess of the Settlement Offer, provided that the Company's liability under this **Policy** for such **Claim** will not exceed the remaining applicable limit of liability.

J. MERGER OF PLANS

If, during the **Policy Period**, a **Benefit Plan** is merged with another **Benefit Plan**, this **Policy** will continue to provide coverage for both plans, subject to all other terms and conditions of this **Policy** and only for so long as this **Policy** remains in effect as to the **Insureds**.

If, during the **Policy Period**, a **Benefit Plan** ("Covered Plan") is merged with another benefit plan for which coverage is not provided under this **Policy** ("Uncovered Plan"), this **Policy** will continue to provide coverage for only the Covered Plan, subject to all other terms and conditions of this **Policy** and only for so long as this **Policy** remains in effect as to the **Insureds**, but only for **Claims** for **Wrongful Acts** which occurred prior to the date of such merger.

K. CHANGE OF CONTROL

If, during the **Policy Period**, a **Change of Control** occurs, coverage will continue in full force and effect with respect to **Claims** for **Wrongful Acts** committed before such event, but coverage will cease with respect to **Claims** for **Wrongful Acts** committed after such event. No coverage will be available hereunder for **Loss**, including **Defense Expenses**, for any **Claim** based upon, alleging, arising out of, or in any way relating to, directly or indirectly any **Wrongful Act** committed or allegedly committed after such event. After any such event, the **Policy** may not be canceled by or on behalf of any **Insured** and the entire premium for the **Policy** will be deemed fully earned.

Upon the occurrence of any **Change of Control**, the **Insurance Representative** will have the right to give the Company notice that the **Insured** desires to purchase a Run-Off Extended Reporting Period for this **Policy** for the period set forth in ITEM 9 of the Declarations following the effective date of such **Change of Control**, regarding **Claims** made during such Run-Off Extended Reporting Period against persons or entities who at the effective date of the **Change of Control** are **Insureds**, but only for **Wrongful Acts** occurring wholly prior to such **Change of Control** and which otherwise would be covered by this **Policy**, subject to the following provisions:

1. such Run-Off Extended Reporting Period will not provide new, additional or renewed limits of liability;
2. the Company's total liability for all **Claims** made during such Run-Off Extended Reporting Period will be only the remaining portion of the applicable limit of liability set forth in the Declarations as of the effective date of the **Change of Control**; and
3. for purposes of coverage under section I. INSURING AGREEMENTS, B., the Run-Off Extended Reporting Period will apply only to **Settlement Fees** and **Defense Expenses** incurred by the **Insured** in connection with any **Settlement Program Notice** as a result of the **Insured's** participation during the Run-Off Extended Reporting Period in a **Settlement Program**, but only if such participation commences during the Run-Off Extended Reporting Period and involves a **Benefit Plan's** actual or alleged inadvertent noncompliance with any statute, rule or regulation before the effective date of the **Change of Control**.

The premium due for the Run-Off Extended Reporting Period will equal the percentage set forth in ITEM 9 of the Declarations of the annualized premium of this **Policy**, including the fully annualized amount of any additional premiums charged by the Company during the **Policy Period** prior to the **Change of Control**. The entire premium for the Run-Off Extended Reporting Period will be deemed fully earned at the commencement of such Run-Off Extended Reporting Period.

The right to elect the Run-Off Extended Reporting Period will terminate unless written notice of such election, together with payment of the additional premium due, is received by the Company within thirty

(30) days of the **Change of Control**. In the event the Run-Off Extended Reporting Period is purchased, the option to purchase the Extended Reporting Period in section V. **CONDITIONS M. EXTENDED REPORTING PERIOD** of this **Policy** will terminate. In the event the Run-Off Extended Reporting Period is not purchased, the **Insured** will have the right to purchase the Extended Reporting Period under the terms of section V. **CONDITIONS M. EXTENDED REPORTING PERIOD** of this **Policy**.

L. TERMINATION OF PLAN

If before or during the **Policy Period** any **Benefit Plan** is terminated, this **Policy** will provide coverage for such plan, subject to all other terms, conditions and limitations of this **Policy** for so long as this **Policy** remains in effect as to the **Insureds**.

M. EXTENDED REPORTING PERIOD

At any time prior to or within 60 days after the effective date of termination or cancellation of this **Policy** for any reason other than nonpayment of premium, the **Insurance Representative** may give the Company written notice that the **Insured** desires to purchase an Extended Reporting Period for the period set forth in ITEM 8 of the Declarations following the effective date of such termination or cancellation, regarding **Claims** made during such Extended Reporting Period against persons or entities who at or prior to the effective date of termination or cancellation are **Insureds**, but only for **Wrongful Acts** occurring wholly prior to the effective date of the termination or cancellation and which otherwise would be covered by this **Policy**, subject to the following provisions:

1. such Extended Reporting Period will not provide a new, additional or renewed limit(s) of liability;
2. the Company's maximum limit of liability for all **Claims** made during such Extended Reporting Period will be only the remaining portion of the applicable limit of liability set forth in the Declarations as of the effective date of the termination or cancellation; and
3. for purposes of coverage under section I. **INSURING AGREEMENTS**, B., the Extended Reporting Period will apply only to **Settlement Fees** and **Defense Expenses** incurred by the **Insured** in connection with any **Settlement Program Notice** as a result of the **Insured's** participation during the Extended Reporting Period in a **Settlement Program**, but only if such participation commences during the Extended Reporting Period and involves a **Benefit Plan's** actual or alleged inadvertent noncompliance with any statute, rule or regulation before the effective date of such termination or nonrenewal.

The premium due for the Extended Reporting Period will equal the percentage set forth in ITEM 8 of the Declarations of the annualized premium of this **Policy**, including the fully annualized amount of any additional premiums charged by the Company during the **Policy Year** prior to such termination or cancellation. The entire premium for the Extended Reporting Period will be deemed to have been fully earned at the commencement of such Extended Reporting Period.

The right to elect the Extended Reporting Period will terminate unless written notice of such election, together with payment of the additional premium due, is received by the Company within 60 days of the effective date of the termination or cancellation.

N. SUBROGATION

In the event of payment under this **Policy**, the Company is subrogated to all of the **Insured's** rights of recovery against any person or organization to the extent of such payment and the **Insured** agrees to execute and deliver instruments and papers and do whatever else is necessary to secure such rights. The **Insured** will do nothing to prejudice such rights.

O. RECOURSE

Unless such right is waived by an endorsement to this **Policy**, the Company will have the right of recourse pursuant to Section 410(b)(1) of the Employee Retirement Income Security Act of 1974, as amended, against any **Insured** that breaches a fiduciary obligation if this **Policy** is purchased using assets of the **Benefit Plan**.

P. RECOVERIES

All recoveries from third parties for payments made under this **Policy** will be applied, after first deducting the costs and expenses incurred in obtaining such recovery, in the following order of priority:

1. first, to the Company to reimburse the Company for any Retention amount it has paid on behalf of any **Insured**;
2. second, to the **Insured** to reimburse the **Insured** for the amount it has paid which would have been paid hereunder but for the fact that it is in excess of the applicable limits of liability hereunder;
3. third, to the Company to reimburse the Company for the amount paid hereunder; and
4. fourth, to the **Insured** in satisfaction of any applicable Retention;

provided, recoveries do not include any recovery from insurance, suretyship, reinsurance, security or indemnity taken for the Company's benefit.

Q. SPOUSAL AND DOMESTIC PARTNER LIABILITY COVERAGE

This **Policy** will, subject to all of its terms, conditions, and limitations, be extended to apply to **Loss** resulting from a **Claim** made against a person who, at the time the **Claim** is made, is a lawful spouse or a person qualifying as a domestic partner under the provisions of any applicable federal, state or local law (a "Domestic Partner") of an **Insured Person**, but only if and so long as:

1. the **Claim** against such spouse or Domestic Partner results from a **Wrongful Act** actually or allegedly committed by the **Insured Person**, to whom the spouse is married, or who is joined with the Domestic Partner; and
2. such **Insured Person** and his or her spouse or Domestic Partner are represented by the same counsel in connection with such **Claim**.

No spouse or Domestic Partner of an **Insured Person** will, by reason of this subsection have any greater right to coverage under this **Policy** than the **Insured Person** to whom such spouse is married, or to whom such Domestic Partner is joined.

The Company has no obligation to make any payment for **Loss** in connection with any **Claim** against a spouse or Domestic Partner of an **Insured Person** for any actual or alleged act, error, omission, misstatement, misleading statement, neglect or breach of duty by such spouse or Domestic Partner.

R. ALLOCATION

1. If Duty-to-Defend coverage is indicated in ITEM 7 of the Declarations and there is a **Claim** under this **Policy** in which the **Insureds** who are afforded coverage for such **Claim** incur an amount consisting of both **Loss** that is covered by this **Policy** and also loss that is not covered by this **Policy** because such **Claim** includes both covered and uncovered matters, then such covered **Loss** and uncovered loss will be allocated as follows:
 - a. one hundred percent (100%) of **Defense Expenses** incurred by and on behalf of the **Insureds** who are afforded coverage for such **Claim** will be allocated to covered **Loss**; and
 - b. all loss other than **Defense Expense** will be allocated between covered **Loss** and uncovered loss based upon the relative legal and financial exposures of, and relative benefits obtained in connection with the defense and settlement of the **Claim** by the **Insureds** and others not insured under this **Policy**. In making such a determination, the **Insureds** and the Company agree to use their best efforts to determine a fair and proper allocation of all such amounts. In the event that an allocation cannot be agreed to, then

the Company will be obligated to make an interim payment of the amount of **Loss** which the parties agree is not in dispute until a final amount is agreed upon or determined pursuant to the provisions of this **Policy** and applicable law.

2. If Reimbursement coverage is indicated in ITEM 7 of the Declarations and there is a **Claim** under this **Policy** in which the **Insureds** who are afforded coverage for such **Claim** incur an amount consisting of both **Loss** that is covered by this **Policy** and also loss that is not covered by this **Policy** because such **Claim** includes both covered and uncovered matters or covered and uncovered parties, the **Insureds** and the Company agree to use their best efforts to determine a fair and proper allocation of all such amounts. In making such a determination, the parties will take into account the relative legal and financial exposures of, and relative benefits obtained in connection with the defense and settlement of the **Claim** by the **Insureds** and others not insured under this **Policy**. In the event that an allocation cannot be agreed to, then the Company will be obligated to make an interim payment of the amount of **Loss** which the parties agree is not in dispute until a final amount is agreed upon or determined pursuant to the provisions of this **Policy** and applicable law.

S. CANCELLATION

The Company may cancel this **Policy** for failure to pay a premium when due, in which case twenty (20) days written notice will be given to the **Insurance Representative**, unless payment in full is received within twenty (20) days of the **Insurance Representative's** receipt of such notice of cancellation. The Company has the right to the premium amount for the portion of the **Policy Period** during which this **Policy** was in effect.

Subject to the provisions set forth in section III. CONDITIONS, K. CHANGE OF CONTROL, the **Insurance Representative** on behalf of the **Insured** may cancel this **Policy** by mailing the Company written notice stating when thereafter, but not later than the Expiration Date set forth in ITEM 3 of the Declarations, such cancellation will be effective. In the event the **Insurance Representative** cancels, the earned premium will be computed on a pro-rata basis. Premium adjustment may be made either at the time cancellation is effective or as soon as practicable after cancellation becomes effective, but payment or tender of unearned premium is not a condition of cancellation.

The Company will not be required to renew this **Policy** upon its expiration. If the Company elects not to renew, it will provide to the **Insurance Representative** written notice to that effect at least thirty (30) days before the Expiration Date set forth in ITEM 3 of the Declarations.

T. OTHER INSURANCE

This **Policy** will apply only as excess insurance over, and will not contribute with any other valid and collectible insurance available to the **Insured**, including any insurance under which there is a duty to defend, unless such insurance is written specifically excess of this **Policy** by reference in such other policy to the Policy Number of this **Policy**. This **Policy** will not be subject to the terms of any other insurance.

U. ACTION AGAINST THE COMPANY

No action will lie against the Company unless there has been full compliance with all of the terms of this **Policy**.

No person or organization has any right under this **Policy** to join the Company as a party to any action against the **Insured** to determine the **Insured's** liability, nor may the Company be impleaded by an **Insured** or said **Insured's** legal representative. Bankruptcy or insolvency of any **Insured** or an **Insured's** estate does not relieve the Company of any of its obligations hereunder.

V. CHANGES

Only the **Insurance Representative** is authorized to make changes in the terms of this **Policy** and solely with the Company's prior written consent. This **Policy's** terms can be changed, amended or waived only by endorsement issued by the Company and made a part of this **Policy**. Notice to any representative of the **Insured** or knowledge possessed by any agent or by any other person will not effect a waiver or

change to any part of this **Policy**, or estop the Company from asserting any right under the terms, conditions and limitations of this **Policy**, nor may the terms, conditions and limitations hereunder be waived or changed, except by a written endorsement to this **Policy** issued by the Company.

W. ASSIGNMENT

This **Policy** may not be assigned or transferred, and any such attempted assignment or transfer is void and without effect unless the Company has provided its prior written consent to such assignment or transfer.

X. REPRESENTATIONS

By acceptance of the terms set forth in this **Policy**, each **Insured** represents and agrees that the statements contained in the **Application**, which is deemed to be attached hereto, incorporated herein, and forming a part hereof, are said **Insured's** agreements and representations, that such representations are material to the Company's acceptance of this risk, that this **Policy** is issued in reliance upon the truth of such representations, and embodies all agreements existing between said **Insured** and the Company or any of its agents.

If any statement or representation in the **Application** is untrue, this **Policy** is void and of no effect whatsoever, but only with respect to:

1. any **Insured Person** who knew, as of the Inception Date set forth in ITEM 3 of the Declarations, that the statement or representation was untrue;
2. any **Benefit Plan**, with respect to its indemnification coverage, to the extent it indemnifies any **Insured Person** referenced in 1. above; and
3. any **Benefit Plan**, if the person who signed the **Application** knew that the statement or representation was untrue.

Whether an **Insured Person** had such knowledge will be determined without regard to whether the **Insured Person** actually knew the **Application**, or any other application completed for this **Policy**, contained any such untrue statement or representation.

Y. LIBERALIZATION

If, during the **Policy Period**, the Company is required, by law or by insurance supervisory authorities of the state in which this **Policy** was issued, to make any changes in the form of this **Policy**, by which the insurance afforded by this **Policy** could be extended or broadened without increased premium charge by endorsement or substitution of form, then such extended or broadened insurance will inure to the benefit of the **Insured** as of the date the revision or change is approved for general use by the applicable department of insurance.

Z. AUTHORIZATION

By acceptance of the terms herein, the **Insurance Representative** agrees to act on behalf of all **Insureds** with respect to the payment of premiums, the receiving of any return premiums that may become due hereunder, and the receiving of notices of cancellation, nonrenewal, or change of coverage, and the **Insureds** each agree that they have, individually and collectively, delegated such authority exclusively to the **Insurance Representative**; provided, that nothing herein will relieve the **Insureds** from giving any notice to the Company that is required under this **Policy**.

AA. ENTIRE AGREEMENT

This **Policy**, including the Declarations, the **Application**, and any endorsements attached hereto, constitutes the entire agreement between the Company and the **Insured**.

BB. HEADINGS

The titles of the various paragraphs of this Policy and its endorsements are inserted solely for convenience or reference and are not to be deemed in any way to limit or affect the provision to which they relate.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

DESIGNATION OF INSURANCE REPRESENTATIVE ENDORSEMENT

This endorsement changes the following:

Designated Benefit Plan Fiduciary Liability Coverage

It is agreed that:

For all relevant purposes under the **Policy**, the **Insurance Representative** is William Palmer.

Nothing herein contained shall be held to vary, alter, waive or extend any of the terms, conditions, exclusions or limitations of the above-mentioned policy, except as expressly stated herein. This endorsement is part of such policy and incorporated therein.

Issuing Company: Travelers Casualty and Surety Company of America

Policy Number: 105972346

DBP-19001 Ed. 11-12

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

WAIVER OF RECOURSE ENDORSEMENT

This endorsement changes the following:

Designated Benefit Plan Fiduciary Liability Coverage

It is agreed that:

In consideration of a separate premium paid to the Company from funds other than from assets of a **Benefit Plan**, the Company waives the right of recourse provided by section **V. CONDITIONS, O. RECOURSE**, of the Policy.

Nothing herein contained shall be held to vary, alter, waive or extend any of the terms, conditions, exclusions or limitations of the above-mentioned policy, except as expressly stated herein. This endorsement is part of such policy and incorporated therein.

Issuing Company: Travelers Casualty and Surety Company of America
Policy Number: 105972346

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GOVERNMENTAL PLAN ENDORSEMENT

This endorsement changes the following:

Designated Benefit Plan Fiduciary Liability Coverage

It is agreed that:

1. The following replaces section **II. DEFINITIONS, I. Claim**:

I. Claim means:

1. a written demand for monetary damages or non-monetary relief;
2. a civil proceeding commenced by service of a complaint or similar pleading;
3. a criminal proceeding commenced by filing of charges;
4. a formal administrative or regulatory proceeding commenced by filing of a notice of charges, formal investigative order, service of summons or similar document;
5. an arbitration, mediation or similar alternative dispute resolution proceeding if the **Insured** is obligated to participate in such proceeding or if the **Insured** agrees to participate in such proceeding, with the Company's written consent, such consent not to be unreasonably withheld; or
6. a written request to toll or waive a statute of limitations relating to a potential civil or administrative proceeding;

against an **Insured** for a **Wrongful Act**.

A **Claim** will be deemed to have been made when such **Claim** is first commenced as set forth in this definition or, in the case of a written demand, when such written demand is first received by an **Insured**.

2. The following is added to section **III. EXCLUSIONS, A. EXCLUSIONS APPLICABLE TO ALL LOSS**:

The Company will not be liable for **Loss** for any **Claim** based upon or arising out of:

- a. any investment in debt obligations of the state set forth in ITEM 1 of the Declarations, or in debt obligations of any political or governmental agency in such state; or
- b. the inadequate funding of the **Benefit Plan**.

3. Section **V. CONDITIONS, O. RECOURSE**, is deleted.

Nothing herein contained shall be held to vary, alter, waive or extend any of the terms, conditions, exclusions or limitations of the above-mentioned policy, except as expressly stated herein. This endorsement is part of such policy and incorporated therein.

Issuing Company: Travelers Casualty and Surety Company of America
Policy Number: 105972346

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

FAILURE TO FUND EXCLUSION ENDORSEMENT

This endorsement changes the following:

Designated Benefit Plan Fiduciary Liability Coverage

It is agreed that:

The following is added to section **III. EXCLUSIONS, A. EXCLUSIONS APPLICABLE TO ALL LOSS:**

The Company will not be liable for **Loss** for any **Claim** based upon or arising out of any inadequate funding of any **Benefit Plan** set forth in the Specified Benefit Plan Schedule below.

Specified Benefit Plans Schedule

CITY OF ST. PETE BEACH GENERAL EMPLOYEE PENSION PLAN

Nothing herein contained shall be held to vary, alter, waive or extend any of the terms, conditions, exclusions or limitations of the above-mentioned policy, except as expressly stated herein. This endorsement is part of such policy and incorporated therein.

Issuing Company: Travelers Casualty and Surety Company of America

Policy Number: 105972346

DBP-19033 Ed. 11-12

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SPECIMEN - QUOTE 1

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GLOBAL COVERAGE COMPLIANCE ENDORSEMENT

This endorsement changes the following:

Designated Benefit Plan Fiduciary Liability Coverage

It is agreed that:

1. The following is added to section V. CONDITIONS:

SANCTIONS

This Policy will provide coverage, or otherwise will provide any benefit, only to the extent that providing such coverage or benefit does not expose the Company or any of its affiliated or parent companies to any trade or economic sanction under any law or regulation of the United States of America or any other applicable trade or economic sanction, prohibition, or restriction.

2. The following replaces section V. CONDITIONS, A. TERRITORY:

A. TERRITORY AND VALUATION

1. This Policy applies anywhere in the world; provided, this Policy does not apply to Loss incurred by an Insured residing or domiciled in a country or jurisdiction in which the Company is not licensed to provide this insurance, to the extent that providing this insurance would violate the laws or regulations of such country or jurisdiction.
2. All premiums, Limits of Liability, Retention, Loss, and other amounts under this Policy are expressed and payable in the currency of the United States. If a judgment is rendered, settlement is denominated, or another element of Loss under this Policy is stated in a currency other than United States dollars, payment under this Policy will be made in United States dollars at the rate of exchange published in *The Wall Street Journal* on the date the final judgment is reached, the amount of the settlement is agreed upon, or any other element of Loss is due, respectively.

3. The following is added to section V. CONDITIONS, E. CLAIM DEFENSE:

In the event of a Claim against an Insured that resides or is domiciled in a country or jurisdiction in which the Company is not licensed to provide this insurance and if Duty-to-Defend coverage is provided with respect to this Policy as indicated in ITEM 7 of the Declarations, the Company will have the right and duty to defend such Claim as set forth in this section V. CONDITIONS, E. CLAIM DEFENSE, 1. to the extent that doing so would not violate the laws or regulations of such country or jurisdiction.

If the Company is prohibited from defending such Claim or if Reimbursement coverage is provided with respect to this Policy as indicated in ITEM 7 of the Declarations, then this section V. CONDITIONS, E. CLAIM DEFENSE, 2. applies to such Claim; provided, any such Claim is subject to section V. CONDITIONS, R. ALLOCATION, 2.

Nothing herein contained shall be held to vary, alter, waive, or extend any of the terms, conditions, exclusions, or limitations of the above-mentioned policy, except as expressly stated herein. This endorsement is part of such policy and incorporated therein.

Issuing Company: Travelers Casualty and Surety Company of America

Policy Number: 105972346

DBP-19083 Ed. 03-15

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FLORIDA CHANGES ENDORSEMENT

This endorsement changes the following:

Designated Benefit Plan Fiduciary Liability Coverage

It is agreed that:

1. The following replaces section **II. DEFINITIONS, O. Loss**:

O. Loss means **Defense Expenses** and money which an **Insured** is legally obligated to pay as a result of a **Claim**, including settlements; judgments; compensatory damages; punitive or exemplary damages or the multiple portion of any multiplied damage award, for which an **Insured** is vicariously liable; prejudgment and post judgment interest; and legal fees and expenses awarded pursuant to a court order or judgment; and solely with respect to section I. **INSURING AGREEMENTS B.** of this **Policy**, **Settlement Fees**, but only to the extent that this **Policy** is construed by a court of competent jurisdiction, or an arbitration panel, under the laws of any jurisdiction other than Florida and such **Settlement Fees** are insurable under the laws of that jurisdiction. **Loss** does not include:

1. civil or criminal fines (except **Settlement Fees** pursuant to Insuring Agreement B.; **Section 502(c) Penalties**; civil penalties under Sections 502(i) and 502(l) of the Employee Retirement Income Security Act of 1974, as amended; or civil penalties under the privacy provisions of HIPAA, but only to the extent that this **Policy** is construed by a court of competent jurisdiction, or an arbitration panel, under the laws of any jurisdiction other than Florida and such **Settlement Fees** or civil penalties are insurable under the laws of that jurisdiction; provided that the funds or assets of the pension scheme will not be used to fund, pay or reimburse the premium for this coverage or any portion thereof); sanctions; liquidated damages; payroll or other taxes; or damages or types of relief deemed uninsurable under applicable law;
2. payment of medical benefits, pension benefits, severance, or any other benefit provided under a **Benefit Plan** which are or may become due, except to the extent that such sums are payable as a personal obligation of an **Insured Person**, because of such **Insured Person's Wrongful Act**; provided that this exclusion will not apply to:
 - a. the Company's obligation to defend any **Claim**, if applicable, or to pay, advance or reimburse **Defense Expenses**, regarding a **Claim** seeking such benefits; or
 - b. that portion of any damage, settlement or judgment covered as **Loss** under this **Policy** that represents a loss to any **Benefit Plan**, or loss to any account of a participant in any **Benefit Plan**, by reason of a change in value of any investments held by such **Benefit Plan** or such account, notwithstanding that such portion of any such damage, settlement or judgment has been characterized by plaintiffs, or held by a court of law, to be "benefits"; or
3. any amount allocated to non-covered loss pursuant to section V. **CONDITIONS, R. ALLOCATION**, of this **Policy**.

To the extent that this **Policy** is construed by a court of competent jurisdiction, or an arbitration panel, under the laws of any jurisdiction other than Florida, **Loss** includes coverage for direct or vicarious

Issuing Company: Travelers Casualty and Surety Company of America

Policy Number: 105972346

DBP-17009 Ed. 11-12

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SPECIMEN - QUOTE 1

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punitive or exemplary damages, or the multiple portion of any multiplied damage award, incurred by the Insureds, if such damages are insurable under the laws of that jurisdiction.

2. The following is deleted from the third paragraph of section **V. CONDITIONS, K. CHANGE OF CONTROL**:

The entire premium for the Run-Off Extended Reporting Period will be deemed fully earned at the commencement of such Run-Off Extended Reporting Period.

3. The following is deleted from the second paragraph of section **V. CONDITIONS, M. EXTENDED REPORTING PERIOD**:

The entire premium for the Extended Reporting Period will be deemed to have been fully earned at the commencement of such Extended Reporting Period.

4. The following replaces section **V. CONDITIONS, S. CANCELLATION**:

S. CANCELLATION

The Company may cancel this Policy for failure to pay a premium when due, in which case written notice, including the reason for cancellation, will be given to the Insurance Representative at least 20 days before the effective date of such cancellation, unless payment in full is received within 20 days of the Insurance Representative's receipt of such notice of cancellation. The Company shall have the right to the premium amount for the portion of the Policy Period during which this Policy was in effect.

Subject to the provisions set forth in section V. CONDITIONS, K. CHANGE OF CONTROL, the Insurance Representative on behalf of the Insureds may cancel this Policy by mailing the Company written notice stating when thereafter, but not later than the Expiration Date set forth in ITEM 3 of the Declarations, such cancellation will be effective. The Company will refund any unearned premium computed on a pro-rata basis if this Policy is canceled by the Insurance Representative on behalf of the Insureds. Premium adjustment may be made either at the time cancellation is effective or as soon as practicable after cancellation becomes effective, but payment or tender of unearned premium is not a condition of cancellation. The Company will mail any unearned premium within 15 working days after the effective date of termination.

The Company will not be required to renew this Policy upon its expiration. If the Company elects not to renew, it will provide to the Insurance Representative written notice to that effect, including the reason for nonrenewal, at least 45 days before the Expiration Date set forth in ITEM 3 of the Declarations.

Nothing herein contained shall be held to vary, alter, waive or extend any of the terms, conditions, exclusions or limitations of the above-mentioned policy, except as expressly stated herein. This endorsement is part of such policy and incorporated therein.



Travelers' New Global Coverage Compliance Endorsement



The international regulatory landscape is growing in complexity with an increased focus on **foreign non-admitted insurance** laws. Regulators have become more active in monitoring compliance with these laws, having an impact on insurers, insureds, and brokers. As the business operations and associated insurance risks of Travelers' insureds continue to expand outside of the United States, attention to these laws, which vary from country to country, is increasingly important.

In an effort to clearly address these legal challenges, Travelers will be adding the Global Coverage Compliance Endorsement to primary Management Liability policies that extend coverage beyond the United States.

Foreign non-admitted insurance refers to insurance that provides coverage for persons, companies, and property located in a foreign jurisdiction in which the issuing insurer is not licensed or otherwise authorized by the local regulatory authority to provide insurance.

Global Coverage Compliance Endorsement

1. Clarify that Travelers cannot legally pay claims in foreign jurisdictions when foreign non-admitted insurance laws prohibit such payments;
2. Clarify Travelers' inability to provide insurance in the event that doing so would violate an applicable trade and economic sanctions law; and
3. Add **"Financial Interest"** coverage, which provides a solution in those foreign jurisdictions where Travelers is not legally permitted to provide coverage to a foreign insured organization, but is able to make payment in the U.S. based on the U.S. named insured's interest in the foreign insured organization.

Under the **"Financial Interest"** coverage, payment is made to the first named insured in the U.S. for the covered loss sustained by the foreign entity. Financial Interest coverage recognizes that a loss sustained by a foreign insured organization impacts the balance sheet of the U.S. named insured, and the payment made in the U.S. to the first named insured is the full amount of the otherwise covered loss.

In situations where a foreign country's non-admitted insurance restrictions would not permit **"Financial Interest"** coverage, such as for losses sustained by foreign individuals that are not indemnified by an insured organization, including Side-A losses under a Directors & Officers (D&O) policy, Travelers can help procure a local policy. Travelers has the ability to place locally admitted D&O policies in over 100 countries.

Global Coverage Compliance Endorsement

The goal in attaching this new endorsement is to be transparent about Travelers' intent to remain compliant with foreign non-admitted insurance and trade and economic sanctions laws. With the **"Financial Interest"** coverage provided in this endorsement, Travelers has an express contractual obligation to pay the first named insured in the U.S. when the loss is sustained by a foreign insured organization in a country that prohibits non-admitted insurance.

Global Coverage Compliance Endorsement

To learn more, please contact your local Travelers underwriter.

travelers.com

The Travelers Casualty and Surety Company of America and its property casualty affiliates. One Tower Square, Hartford, CT 06183

This material does not amend, or otherwise affect, the provisions of any insurance policy issued by Travelers. It is not a representation that coverage does or does not exist for any particular claim or loss under any such policy. Coverage depends on the facts and circumstances involved in the claim or loss, all applicable policy provisions, and any applicable law.

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Wrap⁺

for Governmental Plans

Katie E McDowell

2420 Lakemont Ave.

ORLANDO, FL 32814

Phone: (813) 357-7464

Email: KEMCDOWE@travelers.com

July 20, 2017

Drew B. Guffey
GIBSON & WIRT
126 E MAIN ST

RE: Benefit Plan: CITY OF ST. PETE BEACH GENERAL EMPLOYEES' RETIREMENT SYSTEM
155 COREY AVENUE
St. Pete Beach, FL 33706

Insurance Representative: William Palmer
155 Corey Avenue
PASS A GRILLE, FL 33706

Expiring Policy Number: 105972346

Policy Period: July 31, 2017 to July 31, 2018

Dear Drew B. Guffey:

On behalf of **Travelers Casualty and Surety Company of America** we are pleased to provide the attached proposal of insurance for your review.

The quotes contained in this document are valid until the expiration of your current policy, and are subject to the provision of, and Travelers' review and acceptance of, the required underwriting information noted in the Contingencies section. Travelers reserves the right to change the quotes in this document, or to refuse to bind coverage entirely, based on review of the required underwriting information or based on adverse change in the risk(s) to be insured prior to the quote expiration date noted in this document.

Please note that we require a response to this document prior to expiration of the Insured's current policy in order to facilitate policy renewal. The insured's current policy will expire and not be renewed in the absence of a request, and Travelers' agreement, to bind coverage.

Travelers is pleased to offer Risk Management PLUS+ Online[®], the industry's most comprehensive program for mitigating your management liability exposures, which is available to you at no additional cost. Please visit www.rmplusonline.com to view the services that are available. If you have additional questions about the site please contact your Underwriter.

Travelers Casualty and Surety Company of America, a subsidiary of The Travelers Companies, Inc., has consistently earned high ratings for financial strength and claims-paying ability from independent rating services, including a current A.M. Best rating of A++*. Founded in 1853, The Travelers Companies, Inc. is a Fortune 500 company, a component of the Dow Jones Industrial Average, and a leading provider of property casualty insurance for businesses.

Thank you for considering Travelers for your client's insurance coverages. We look forward to discussing this opportunity with you.

Sincerely,

Katie E McDowell

Travelers Bond & Specialty Insurance

*A.M. Best's rating of A++ applies to Travelers Casualty and Surety Company of America as well as to certain insurance subsidiaries of Travelers that are members of the Travelers Insurance Companies pool; other subsidiaries are included in another rating pool or are separately rated. For a listing of companies rated by A.M. Best and other rating services visit www.aambest.com. Ratings listed herein are as of May 2014, are used with permission, and are subject to changes by the rating services. For the latest rating, access www.aambest.com.

Travelers Casualty and Surety Company of America
QUOTE OPTION #1

LIABILITY COVERAGES:

Coverage	Limit	Additional Defense Limit	Retention	Continuity Date	Prior & Pending Proceeding Date
Designated Benefit Plan Fiduciary Liability	\$2,000,000 for all Claims	N/A	\$5,000(A) for each Claim under Insuring Agreement A	07/31/1999	07/31/1999

TOTAL ANNUAL PREMIUM - \$6,453.00

(Other term options listed below, if available)

COVERAGE DETAILS:

Settlement Program Limit of Liability:	\$100,000 for each Settlement Program Notice, which amount is included within, and not in addition to, any applicable Designated Benefit Plan Fiduciary limit of liability
HIPAA Limit of Liability:	\$100,000 which amount is included within, and not in addition to, any applicable Designated Benefit Plan Fiduciary limit of liability
502(c) Penalties Limit of Liability:	\$100,000 which amount is included within, and not in addition to, any applicable Designated Benefit Plan Fiduciary limit of liability

EXTENDED REPORTING PERIOD AND RUN-OFF:

Extended Reporting Period for Liability Coverages:

Additional Premium Percentage:	75%
Additional Months:	12

Run-Off Extended Reporting Period for Liability Coverages:

Additional Premium Percentage:	N/A
Additional Months:	N/A

CLAIM DEFENSE FOR ASSOCIATION MANAGEMENT LIABILITY COVERAGE, LIABILITY COVERAGES AND/OR CYBER COVERAGE:

Duty to Defend

ANNUAL REINSTATEMENT:

Liability Coverage Limit of Liability: N/A

PREMIUM DETAIL:

Total Premium includes Waiver of Recourse Premium of \$100 per annual term, paid from funds other than plan assets.

Term	Payment Type	Premium	Taxes	Surcharges	Total Premium	Total Term Premium
1 Year	Prepaid	\$6,453.00	\$0.00	\$0.00	\$6,453.00	\$6,453.00

POLICY FORMS APPLICABLE TO QUOTE OPTION # 1:

DBP-15001-1112	Designated Benefit Plan Fiduciary Liability Coverage Declarations
DBP-16001-1112	Designated Benefit Plan Fiduciary Liability Coverage

ENDORSEMENTS APPLICABLE TO QUOTE OPTION # 1:

AFE-19004-0115	Cap on Losses From Certified Acts of Terrorism Endorsement
AFE-19008-0115	Federal Terrorism Risk Insurance Act Disclosure

DBP-17009-1112	Florida Changes Endorsement
DBP-17055-1112	Table of Contents Florida
DBP-19001-1112	Designation of Insurance Representative Endorsement
DBP-19002-1112	Waiver of Recourse Endorsement
DBP-19003-1112	Governmental Plan Endorsement
DBP-19033-1112	Failure to Fund Exclusion Endorsement
DBP-19083-0315	Global Coverage Compliance Endorsement

CONTINGENCIES APPLICABLE TO QUOTE OPTION # 1:

This quote is contingent on the acceptable underwriting review of the following information prior to the quote expiration date.

- 1 Please have application signed and dated

COMMISSION: 20.00%

QUOTE NOTES:

NOTICES:

It is the agent's or broker's responsibility to comply with any applicable laws regarding disclosure to the policyholder of commission or other compensation we pay, if any, in connection with this policy or program.

Important Notice Regarding Compensation Disclosure

For information about how Travelers compensates independent agents, brokers, or other insurance producers, please visit this website: http://www.travelers.com/w3c/legal/Producer_Compensation_Disclosure.html

If you prefer, you can call the following toll-free number: 1-866-904-8348. Or you can write to us at Travelers, Agency Compensation, One Tower Square, Hartford, CT 06183.

FEDERAL TERRORISM RISK INSURANCE ACT DISCLOSURE

The federal Terrorism Risk Insurance Act of 2002 as amended ("TRIA"), establishes a program under which the Federal Government may partially reimburse "Insured Losses" (as defined in TRIA) caused by "Acts Of Terrorism" (as defined in TRIA). Act Of Terrorism is defined in Section 102(1) of TRIA to mean 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 carriers or vessels 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.

The Federal Government's share of compensation for such Insured Losses is established by TRIA and is a percentage of the amount of such Insured Losses in excess of each Insurer's "Insurer Deductible" (as defined in TRIA), subject to the "Program Trigger" (as defined in TRIA). Through 2020, that percentage is established by TRIA as follows:

- 85% with respect to such Insured Losses occurring in calendar year 2015.
- 84% with respect to such Insured Losses occurring in calendar year 2016.
- 83% with respect to such Insured Losses occurring in calendar year 2017.
- 82% with respect to such Insured Losses occurring in calendar year 2018.
- 81% with respect to such Insured Losses occurring in calendar year 2019.
- 80% with respect to such Insured Losses occurring in calendar year 2020.

In no event, however, will the Federal Government be required to pay any portion of the amount of such Insured Losses occurring in a calendar year that in the aggregate exceeds \$100 billion, nor will any Insurer be required to pay any portion of such amount provided that such Insurer has met its Insurer Deductible. Therefore, if such Insured Losses occurring in a calendar year exceed \$100 billion in the aggregate, the amount of any payments by the Federal Government and any coverage provided by this policy for losses caused by Acts Of Terrorism may be reduced.

For each coverage provided by this policy that applies to such Insured Losses, the charge for such Insured Losses is no more than one percent of your premium, and does not include any charge for the portion of such Insured Losses covered by the Federal Government under TRIA. Please note that no separate additional premium charge has been made for the terrorism coverage

required by TRIA. The premium charge that is allocable to such coverage is inseparable from and imbedded in your overall premium.

Coverage Disclaimer:

THIS QUOTE DOES NOT AMEND, OR OTHERWISE AFFECT, THE PROVISIONS OR COVERAGE OF ANY RESULTING INSURANCE POLICY ISSUED BY TRAVELERS. IT IS NOT A REPRESENTATION THAT COVERAGE DOES OR DOES NOT EXIST FOR ANY PARTICULAR CLAIM OR LOSS UNDER ANY SUCH POLICY. COVERAGE DEPENDS ON THE APPLICABLE PROVISIONS OF THE ACTUAL POLICY ISSUED, THE FACTS AND CIRCUMSTANCES INVOLVED IN THE CLAIM OR LOSS AND ANY APPLICABLE LAW.

THE PRECEDING OUTLINES THE COVERAGE FORMS, LIMITS OF INSURANCE, POLICY ENDORSEMENTS AND OTHER TERMS AND CONDITIONS PROVIDED IN THIS QUOTE. ANY POLICY COVERAGES, LIMITS OF INSURANCE, POLICY ENDORSEMENTS, COVERAGE SPECIFICATIONS, OR OTHER TERMS AND CONDITIONS THAT YOU HAVE REQUESTED THAT ARE NOT INCLUDED IN THIS QUOTE HAVE NOT BEEN AGREED TO BY TRAVELERS. PLEASE REVIEW THIS QUOTE CAREFULLY AND IF YOU HAVE ANY QUESTIONS, PLEASE CONTACT YOUR TRAVELERS REPRESENTATIVE.



THE SUNSET CAPITAL OF FLORIDA

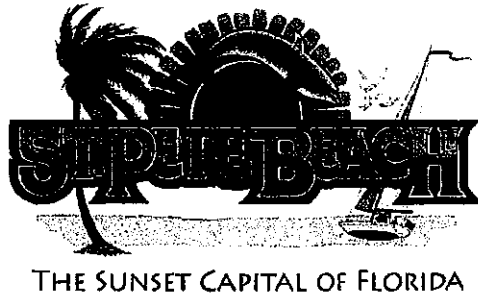
MEMORANDUM

To: General Employees' Pension Board
From: Colette Graston, HR Administrator
Date: August 8, 2017
RE: Access to retirement accounts

Salem Trust recommends that reported information on retirees and their monthly benefit be reviewed on a regular basis. This is done through secure access to the accounts online. Currently, Human Resources does not have authority to review the accounts for the General Employees' Retirement System.

The Human Resources Office procedure is to route approved applications for retirement, refund of contributions, and other changes to Salem Trust for processing. It would be helpful for the Human Resources Administrator to have access to review and ensure the information is correct.

Should the Board be in agreement, I have attached a letter of authorization for the Board Chairman to sign.



August 17, 2017

Salem Trust Company
1715 N. Westshore Blvd. Suite 750
Tampa, FL 33607

To Whom It May Concern,

At a meeting held on August 17, 2017, the St. Pete Beach General Employees' Pension Board approved the Human Resources Administrator online access to retirement accounts for retirees of St. Pete Beach General Employee Retirement System.

Sincerely,

Bill Schroeder, Chairman
General Employees' Pension Board