

Bill Hansell

Subject: MBCSD: New insurance option

Bill,

Thanks for your time when we spoke last week regarding your renewal policy from July 1st. Shown below and attached are the renewal options for the District which we previously provided. As we discussed, you had two options this year, the GPP Standard program and a new option this year, GPP MemberGuard. We have you in the GPP standard program as of 7/1/16 but you still have the option to move into the MemberGuard program and **save just over \$850 this year**. Below are some of the questions I am getting at various board meetings so I wanted to share them with you here to help you navigate your options. Also included is a summary of coverage comparison between the two programs. Should you wish to transition into this program, there is no cost to do so, just send us a note and the date you want to make the change. Please feel free to give me or Megan a call if you have any questions

Thanks,
Marty Watkins



Martin R. Watkins | Sales Executive

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- **Why the MemberGuard Pool Option?** This came about as a solution for a legislative change that occurred late last year under AB656 allowing Public Agencies to enter into JPA agreements with Mutual Water Companies. Glatfelter created this program to offer a competitive solution specific for our special districts and water entities.
- **Any risk to the US?** No, the pool is fully reinsured by A+ rated Munich Re, which is the parent company on our standard market. The water companies are only responsible for the premium they commit to on the proposal, nothing more. They are not responsible for the losses of others.
- **Is the Coverage the same?** No, the coverage is far superior under the MemberGuard pool program, with coverage enhancements and higher limits of protection than what is offered under our standard program (See below for cost and coverage comparison)
- **Is this still a Glatfelter program?** Yes, we are partnering with the **California Rural Water Association** to offer this program. The CRWA has been serving the needs of water companies across California since 1990. MemberGuard is the endorsed program for their members. All services under our standard program will continue in the pool, so all the same Underwriting, Claims and Loss Control services and public entity specialists will remain the same for the pool members.
- **I see there is a three year commitment... why three years?** This is normal for a startup California pool to gain traction, stability and predictability with the program. The policy and payment is still for a one year term. Yes, we ask for an initial three year commitment but also know **there is no penalty** if they opt out sooner. The policy term is still a one year term and paid one year at a time.
- **We are not CRWA members, can we still join the pool?** Yes, they can still join the pool. The insured will be supplied a membership form for the CRWA and membership fees are waived the first year. Additional CRWA

services include water operator training, technical on site assistance, continuing education, and grant writing services for all members.

- **Our policy has already renewed in GPP Standard ...have we missed our opportunity to join MemberGuard?** No, we can still transition you in after your renewal date and there is no cost to do so. Simply let us know the date you want to start and we will convert you from GPP Standard to MemberGuard.
- **How do the coverage programs compare? Any specific differences?** Absolutely, there are major advantages under the MemberGuard program... please see the comparison below

Line of Business	Coverage	MemberGuard Pool New Limit/Coverage	(GPP Standard) Current Coverage
Property	Debris Removal	25% of loss amount + \$250,000	25% + \$100,000
Property	EB – Hazardous Substance	\$250,000 vs.....	\$100,000
Property	Fungus, Wet/Dry Rot	\$50,000	\$25,000
Property	Outdoor Property	\$100,000	\$50,000
Property	Pollution Remediation Expense	\$250,000 – “Covered cause of loss” basis vs....	\$25K – Covered Cause of Loss \$100K – Specified Causes of loss
Property	Water Contamination Notification Expense	\$25,000 (\$0. Deductible)	\$5,000 (\$0. Deductible)
Crime	Portfolio of Crime Coverages	Depending upon the Crime Limits Option originally purchased, limits may have increased for some ancillary crime coverages	Various from \$5K to \$50K
Crime	Fraudulent Impersonation -	See Form	(NEW COVERAGE - if member currently has already chosen a crime coverage option)
GL	Pollution Exception	Pesticide/herbicide exception includes storage and application	Previously only provided coverage for application
GL	Products/Completed Operations Aggregate Limit	\$10,000,000 Aggregate vs.....	\$3,000,000 Aggregate
GL	General Aggregate Limit	\$10,000,000 Aggregate vs.....	\$3,000,000 Aggregate
POML	Aggregate Limit	\$10,000,000 Aggregate vs.....	\$3,000,000 Aggregate
Excess	Pollution Exception	Pesticide/herbicide exception includes storage and application	Previously only provided coverage for application

Subject: Muir Beach Community Services District - Renewal Proposals

Your GPP renewal proposal is attached for your review. We’re excited this year to also offer an alternate quote through our GPP MemberGuard program (www.MyMemberGuard.com). MemberGuard is a partnership between Glatfelter Public Practice (GPP) and the California Rural Water Association (<http://www.calruralwater.org>).

Coverage offered by MemberGuard is a competitive alternative to insurance due to the recent passage of AB656 late last year. This new law permits mutual water entities to enter into Joint Powers Agreement (JPA) arrangements with public agencies to help reduce their costs for protection typically provided by traditional property and casualty insurance, without any reductions in coverage unless noted on the proposal. In addition, GPP can offer a WC proposal for eligible CRWRMA members in an effort to meet all of their coverage needs.

To help you compare the savings with your client, the table below indicates the annualized cost of each coverage.

Program	GPP	MemberGuard
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Cost	\$ 6,651.00	\$ 5,511.00
+ Admin Fee	\$0.	\$ 276.00
Total	\$ 6,651.00	\$ 5,787.00

Please advise your Underwriter, Luis Arroyo, which program you wish to bind and return the corresponding bind order. If you are choosing MemberGuard, your coverage will be issued short term to expire on 4/1/17, which is the common expiration date for the MemberGuard program. Thereafter, the annual Coverage Period is effective April 1st. The attached MemberGuard proposal reflects the prorated contribution amount. It is also important to note that there is additional information and documents that need to be signed by the insured when binding coverage in MemberGuard. Please contact us for more details.

If you have any questions please call Luis at 209-956-8084 or your Sales Executive, Marty Watkins at 209-956-8042.