



AGENDA

**REGULAR MEETING OF THE BOARD OF DIRECTORS
EXECUTIVE COMMITTEE**

Tuesday, June 27, 2023 – 11:00 AM
Administration Boardroom
600 N. Highland Springs Avenue, Banning, CA 92220

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the Administration Office at (951) 769-2160. **Notification 48 hours prior to the meeting** will enable the Hospital to make reasonable arrangement to ensure accessibility to this meeting. [28 CFR 35.02-35.104 ADA Title II]

TAB

I. Call to Order

S. DiBiasi

II. Public Comment

A five-minute limitation shall apply to each member of the public who wishes to address the Executive Committee of the Hospital Board of Directors on any matter under the subject jurisdiction of the Committee. A thirty-minute time limit is placed on this section. No member of the public shall be permitted to “share” his/her five minutes with any other member of the public. (Usually, any items received under this heading are referred to staff for future study, research, completion and/or future Committee Action.) (PLEASE STATE YOUR NAME AND ADDRESS FOR THE RECORD.)

On behalf of the San Gorgonio Memorial Hospital Board of Directors, we want you to know that the Board/Committee acknowledges the comments or concerns that you direct to this Committee. While the Board/Committee may wish to occasionally respond immediately to questions or comments if appropriate, they often will instruct the CEO, or other Administrative Executive personnel, to do further research and report back to the Board/Committee prior to responding to any issues raised. If you have specific questions, you will receive a response either at the meeting or shortly thereafter. The Board/Committee wants to ensure that it is fully informed before responding, and so if your questions are not addressed during the meeting, this does not indicate a lack of interest on the Board/Committee’s part; a response will be forthcoming.

OLD BUSINESS

III. ***Proposed Action - Approval of Minutes**

S. DiBiasi

- June 29, 2021 – regular meeting

A

NEW BUSINESS

- IV. ***Proposed Action – Approve Annual Insurance Renewals** D. Heckathorne B
 • **Property and Casualty Programs**
 ▪ **ROLL CALL**

- V. Adjourn

***Action Required**

All public records relating to an agenda item on this agenda are available for public inspection at the time the record is distributed to all, or a majority of all, members of the Board. Such records shall be available at the Hospital office located at 600 N. Highland Springs Avenue, Banning, CA 92220 during regular business hours, Monday through Friday, 8:00 am - 4:30 pm.

Certification of Posting

I certify that on June 23, 2023, I posted a copy of the foregoing agenda near the regular meeting place of the Executive Committee of the Board of Directors of San Gorgonio Memorial Hospital, said time being at least 72 hours in advance of the regular meeting of the Executive Committee of the Board of

Directors

(Government Code Section 54954.2)

Executed at Banning, California on June 23, 2023



Ariel Whitley, Executive Assistant

TAB A

REGULAR MEETING OF THE
SAN GORGONIO MEMORIAL HOSPITAL
BOARD OF DIRECTORS EXECUTIVE COMMITTEE
June 29, 2021

The regular meeting of the San Gorgonio Memorial Hospital Board of Directors Finance Committee was held on Tuesday, June 29, 2021. In an effort to prevent the spread of COVID-19 (coronavirus), and in accordance with the Governor’s Executive Order N-29-20, there was no public location for attending this committee meeting in person. Committee members, staff members, and members of the public participated telephonically.

Members Present: Susan DiBiasi (C), Ehren Ngo, Ron Rader, Steve Rutledge

Members Absent: None

Required Staff: Steve Barron (CEO), Daniel Heckathorne (CFO), Annah Karam (CHRO), Ariel Whitley (Executive Assistant)

AGENDA ITEM	DISCUSSION	ACTION / FOLLOW-UP
Call To Order	Committee Chair Susan DiBiasi called the meeting to order at 10:19 am.	
Public Comment	Members of the public who wished to comment on any item on the agenda were encouraged to submit comments by emailing publiccomment@sgmh.org prior to this meeting. No public comment emails were received.	
OLD BUSINESS		
Proposed Action - Approve Minutes March 30, 2021 Regular Meeting	Chair DiBiasi asked for any changes or corrections to the minutes of the March 30, 2021 regular meeting. There were none.	The minutes of the March 30, 2021 regular meeting will stand correct as presented.
NEW BUSINESS		
Adjourn to Closed Session	Due to legal counsel’s time constraints, the committee went into closed session. Chair DiBiasi reported the items to be reviewed and	

AGENDA ITEM	DISCUSSION	ACTION / FOLLOW-UP								
	<p>discussed and/or acted upon during Closed Session will be:</p> <ul style="list-style-type: none"> ➤ Participate in telephone conference with legal counsel regarding pending litigation <p>The meeting adjourned to Closed Session at 10:25 am.</p>									
Reconvene to Open Session	<p>The meeting adjourned from closed session at 10:40 am.</p> <p>At the request of Chair DiBiasi, Ariel Whitley reported on the actions taken/information received during the Closed Session as follows:</p> <ul style="list-style-type: none"> ➤ Participated in the telephone conference with legal counsel regarding pending litigation. 									
Proposed Action – Approve Alliant Insurance Renewals	<p>Daniel Heckathorne, CFO, presented the Alliant Insurance renewals.</p> <ul style="list-style-type: none"> • Property • Pollution Liability • Cyber Liability <p>ROLL CALL:</p> <table border="1" data-bbox="488 1199 1214 1276"> <tr> <td>DiBiasi</td> <td>Yes</td> <td>Ngo</td> <td>Yes</td> </tr> <tr> <td>Rader</td> <td>Yes</td> <td>Rutledge</td> <td>Yes</td> </tr> </table> <p>Motion carried</p>	DiBiasi	Yes	Ngo	Yes	Rader	Yes	Rutledge	Yes	<p>M.S.C. (DiBiasi/Rader), the SGMH Executive Committee approved the Alliant Insurance Renewals as presented.</p>
DiBiasi	Yes	Ngo	Yes							
Rader	Yes	Rutledge	Yes							
Proposed Action – Approve Beta Insurance Renewals	<p>Daniel Heckathorne, CFO, presented the Beta Insurance renewals.</p> <ul style="list-style-type: none"> • Professional & General Liability • D&O/EPL • Auto • Work Comp. <p>ROLL CALL:</p> <table border="1" data-bbox="488 1728 1214 1806"> <tr> <td>DiBiasi</td> <td>Yes</td> <td>Ngo</td> <td>Yes</td> </tr> <tr> <td>Rader</td> <td>Yes</td> <td>Rutledge</td> <td>Yes</td> </tr> </table> <p>Motion carried</p>	DiBiasi	Yes	Ngo	Yes	Rader	Yes	Rutledge	Yes	<p>M.S.C. (DiBiasi/Rutledge) the SGMH Executive Committee approved the Beta Insurance Renewals as presented.</p>
DiBiasi	Yes	Ngo	Yes							
Rader	Yes	Rutledge	Yes							

AGENDA ITEM	DISCUSSION	ACTION / FOLLOW-UP								
<p>Proposed Action – Approve Resolution No. 2021-05 approving settlement authority and authorizing the execution and delivery of settlement documents</p>	<p>Chair DiBiasi reported that Resolution No. 2021-05 is a resolution that approves settlement authority and authorizes the execution and delivery of settlement documents.</p> <p>ROLL CALL:</p> <table border="1" data-bbox="492 533 1214 611"> <tr> <td>DiBiasi</td> <td>Yes</td> <td>Ngo</td> <td>Yes</td> </tr> <tr> <td>Rader</td> <td>Yes</td> <td>Rutledge</td> <td>Yes</td> </tr> </table> <p>Motion carried</p>	DiBiasi	Yes	Ngo	Yes	Rader	Yes	Rutledge	Yes	<p>M.S.C. (Rutledge/Rader) the SGMH Executive Committee approved Resolution No. 2021-05 as presented.</p>
DiBiasi	Yes	Ngo	Yes							
Rader	Yes	Rutledge	Yes							
<p>Adjourn</p>	<p>The meeting was adjourned at 11:06 am.</p>									

In accordance with The Brown Act, *Section 54957.5*, all reports and handouts discussed during this Open Session meeting are public records and are available for public inspection. These reports and/or handouts are available for review at the Hospital Administration office located at 600 N. Highland Springs Avenue, Banning, CA 92220 during regular business hours, Monday through Friday, 8:00 am - 4:30 pm.

Minutes submitted by Ariel Whitley, Executive Assistant

TAB B

San Gorgonio Memorial Hospital and San Gorgonio Memorial Health Care District

To: Finance Committee, Board of Directors, and District Board

Agenda Items for June 27, 2023 Finance and Executive Committee Meetings

Subject:

Annual Insurance Renewals:

A) Property and Casualty Programs

- 1) All Risk Property Coverage including Business Interruption Coverage
- 2) Boiler and Machinery
- 3) Flood
- 4) Cyber and Excess Cyber
- 5) Crime
- 6) Fiduciary Liability (was renewed January, 2023)
- 7) Underground Storage Tanks (Pollution)
- 8) Deadly Weapon Response
- 9) Crime (Prorated until November 1 renewal for SGMH Foundation)

Property and Casualty Program – The Districts’ Broker, Courtney Ramirez, Senior Vice President of the Public Entity Division of Alliant Insurance Services, and her team, have represented SGMHCD for several years, and have obtained coverages available to Public Entities via the Hospital All Risk Property Program (HARPP).

Included is information regarding the Insurance markets, along with the specifics for San Gorgonio Memorial District/Hospital. Ms. Ramirez reports that this HAARP program is still the best option for SGMH, as many major insurance carriers are not taking additional risk in the California market.

The renewal packet is impacted by two main components: 1) We requested an updated appraisal of the District’s properties in order to insure to current replacement values and this resulted in an increase in values of almost 10%; 2) The extremely difficult market caused an increase in rates of over 29%. As such, the overall package is increasing by 34%.

Recommendations: That Option 1 renewal package be approved at an overall cost of \$368,088.15 for the Hospital All Risk Property Program (HARPP) with overall cost of \$453,679 for all listed coverages.

Heckathorne, Daniel

From: Josie Charley <Josie.Charley@alliant.com>
Sent: Thursday, June 15, 2023 8:55 AM
To: Heckathorne, Daniel
Cc: Kammer, Margaret; Courtney Ramirez
Subject: 23-24 HARPP Proposal - San Gorgonio Memorial Hospital
Attachments: _2023-2024 HARPP Proposal - San Gorgonio.pdf, _Binding Requirements & Invoice.pdf

Categories: Red Category

Hi Dan,

Please find attached the HARPP renewal proposal for the 2023-2024 policy period. The below is a high level executive summary, we are looking forward to discussing with you Friday morning.

As we previously discussed, this year we were expecting a rate increase and this year the rate increase was just a little under 30%. The Total Insurable Value (TIV) increase also factored into the premium. Please keep in mind that the values were increased due to the appraisal conducted. As outlined on the Executive Summary on page 3 of the proposal, there was a TIV increase of ~10%.

Market Update:

On page 2 of the proposal, we have provided an in-depth update on the state of the property market. In summary, Insurance buyers face the hardest property insurance market in a generation, with historic inflation and skyrocketing natural disaster losses causing "significant pressure," according to a report from the American Property Casualty Insurance Association (APCIA).

Comments on the HARPP Proposal:

Please see the Executive Summary of the Proposal for the Year-over-Year Rate and Premium Comparison. We have separated out the Premiums for Property, Core Cyber and Pollution to identify where the portion of the increases emanate. The premium for the \$25,000 deductible option can be found on page 12 of the attached proposal. There would be a ≈\$2.3K decrease in property premium to increase your deductible from \$10,000 to \$25,000. In addition to increasing the deductible, the Option 2 includes the Upgrade to Green \$5,000,000 limit.

Comments on the Cyber Market:

The Cyber market in general has been an extremely unstable coverage line with many insurers exiting the market due to catastrophic ransomware attacks. Ransomware is one of the most pressing issues for cyber insurers today. We believe the Cyber coverage provided by HARPP represents one of the best values in the marketplace and the great results are shown at the renewal.

Core Cyber (Privacy Liability) Coverage for both 1st and 3rd parties is provided by Beazley Syndicates at Lloyd's. Core Cyber provides a \$2,000,000 Aggregate Limit, there is also a Program Policy Aggregate Limit up to \$45,000,000 for all Insureds/Members combined. The policy provides specific coverage for regulatory defense and penalties, notification and credit monitoring costs, for claims due to theft, loss or disclosure of personal information; please see attached for specific limits and sub-limits. The Cyber retention is \$50,000.

Comments on Pollution:

Pollution Coverage for both 1st and 3rd parties is placed with Ironshore Specialty Insurance Company, A.M. Best Rated A XV. There is \$2,000,000 Per Member / Aggregate for First Party Remediation Costs, First Party Emergency Response Cost, and Third Party Liability for a pollution condition on, at under or migrating from a covered location; an indoor

environmental condition at a covered location; or a pollution condition resulting from transportation. Includes contracted operations, non-owned disposal sites and storage tanks. The Pollution retention is \$50,000; with other various deductibles by coverage.

We have also provided a separate attachment that includes all of the documents that will require a signature for binding. To renew these coverages, please sign and return the attached documents at your soonest but no later than ~~Monday June 26th~~. **CHANGED TO TUESDAY, JUNE 27.**

- Request to Bind Coverage Form
- APIP Claims Acknowledgement Form
- CA D1 (Surplus Lines Disclosure)
- Notice of Terrorism


Please be sure to review the entire proposal and let us know if you have any questions.

Best Regards,

Josie Charley, CLIC, WCIP, CCIP

Account Manager
CA License No. 0J16289
Public Entity

T: 949.242.6280
Alliant.com

 Alliant Insurance Services, Inc.
CA License No. 0C36861

The More Rewarding Way to Manage Risk

Important note about mail service, remitting payment and reporting claims:

A number of our offices around the region are experiencing disruption with mail and deliveries. To make sure we receive your payment timely **please mail all checks to the lockbox address on your invoice and follow claim reporting procedures** provided by your claim advocate. Please contact us at any time if you have concerns or questions.

This email and its attachments are for the exclusive use of the intended recipients, and may contain proprietary information and trade secrets of Alliant insurance Services, Inc. and its subsidiaries. This email may also contain information that is confidential, or otherwise protected from disclosure by contract or law. Any unauthorized use, disclosure, or distribution of this email and its attachments is prohibited. If you are not the intended recipient, let us know by reply email and then destroy all electronic and physical copies of this message and attachments. Nothing in this email or its attachments is intended to be legal, financial, or tax advice, and recipients are advised to consult with their appropriate advisors regarding any legal, financial, or tax implications.



San Geronio Memorial Healthcare District



2023-2024

Alliant Property Insurance Program

HOSPITAL ALL RISK PROPERTY PROGRAM

Presented on June 16, 2023 by:

Courtney L. Ramirez
Senior Vice President

Josie Charley
Account Manager

Alliant Insurance Services, Inc. • 18100 Von Karman Avenue 10th Floor Irvine, CA 92612 •

PHONE (949) 756-0271 FAX (949) 756-2713 • www.alliant.com • License No.0C36861

HOSPITAL ALL RISK PROPERTY PROGRAM (HARPP)



July 1, 2023 – July 1, 2024

EXECUTIVE SUMMARY

Attached please find the annual renewal summary of the Hospital All Risk Property Program (HARPP) for the 7/1/2023 renewal. An overview of the most significant issues is discussed here.

The property market is proving very challenging as we approach the 7/1/2023 HARPP renewal. Weather related events are problematic to the insurance industry and the frequency and severity of these events has increased over the last few years. Recent weather events adversely impacting both the capacity and the pricing of direct carriers and reinsurers include:

- 2022 Hurricane Ian (estimated \$53B in insured losses – the second most costly hurricane in history);
- 2022 Winter Storm Elliott (impacted 42 states and insured damage estimates of \$5.4B);
- 2021 Winter Storm Uri (estimated \$15B in insured losses primarily in Texas and Oklahoma);
- 2021 Hurricane Ida (estimated \$40B in insured losses from Gulf Coast to Northeastern States – fourth most costly hurricane in history)
- U.S. Wildfires (Over \$10B in insured losses in 4 of last 5 years)

In addition, underwriters are concerned about valuation and ensuring that an insured's reported values properly and accurately reflect their exposure. HARPP closely monitors insured values for accuracy including application of a 7.5% trend factor for real and personal property. Due to the conditions described above, we expect insureds in the HARPP program to have rate increases at renewal. Generally, insureds that are loss free and/or non-Catastrophe (CAT) exposed will have lower than average rate increases while insureds that are loss challenged and/or CAT exposed will have higher than average rate increases.

For the 2023/24 renewal, Berkshire Hathaway Specialty Insurance (BHSI) will lead the first \$25,000,000 of the program. Maximum program limits are \$800,000,000 to \$1,000,000,000 and will be placed with worldwide markets rated at A.M. Best A- VII or higher. Insureds should note several key highlights for this year's renewal:

- Boiler & Machinery cover for participating insureds of the HARPP Boiler Program will be maintained with Hartford Steam Boiler (HSB), who will also continue to perform required jurisdictional inspections.
- Cyber (Privacy Liability) Coverage for both 1st and 3rd parties from the Beazley Syndicate at Lloyd's, A.M. Best Rated A XV, (for those eligible insureds) with coverage as outlined on the following proposal will be provided. Additional excess options are available, if requested for insureds with good security controls in place. The Cyber market has become extremely volatile in the past 2 years primarily due to a pronounced increase in ransomware claims and worldwide unrest. Due to the difficulty of even maintaining Cyber coverage for many public entities, we believe the Cyber coverage provided by HARPP represents one of the best values in the marketplace. **Please note claims reporting timeframe limitations for this coverage**
- Pollution Coverage for both 1st and 3rd parties from Ironshore Specialty Insurance Company, A.M. Best Rated A XV, (for those eligible insureds) with coverage as outlined on the following proposal will be provided. **Please note claims reporting timeframe limitations for this coverage**
- Vehicles/Contractor's Equipment – please note on the attached proposal whether the vehicle/contractors equipment valuation is Replacement Cost (new) or Actual Cash Value (ACV). If Replacement Cost (new) valuation is needed, the insured must submit a schedule of vehicles or a vehicle valuation reporting form (provided in the pre-renewal packet) and vehicles must be valued at today's Replacement Cost (new). If values are not reported at Replacement Cost (new), the vehicle/contractor's equipment valuation basis will be ACV

Alliant Business Services (ABS) continues to play a significant role not only in providing various types of loss control services, but also in providing appraisal services, business interruption values consultation, and infrared testing. Please see inserts for further details on ABS services provided. For the program, property valuations continue to be a key focus. As a reminder, it is underwriters' intent to have all buildings with a scheduled value of \$5,000,000 or more appraised once every seven to ten years. This service is included in the total program cost. Insureds may also choose to have lower valued buildings appraised. The cost to have all, or specific buildings appraised that are valued on an insureds schedule between \$25,000 and \$5,000,000 will be quoted at the time the request is made.

Please review important Disclosure and Loss Notification information included in your renewal materials. Your review and acknowledgement of these documents are required via your signature, once you authorize a request to bind coverage with your Alliant representative. Although this proposal is as complete as possible, the program is being negotiated up to the 7/1/23 effective date. We will endeavor to provide any known material changes prior to renewal.

HOSPITAL ALL RISK PROPERTY PROGRAM (HARPP)
July 1, 2023 – July 1, 2024
EXECUTIVE SUMMARY

The following table depicts key financial statistics relative to last year:

Year-over-Year Rate and Premium Comparison

<u>San Geronio Memorial Healthcare District</u>	<u>2022-2023 (at 03/08/2023)</u>	<u>2023-2024</u>	<u>Variance</u>
Total Insurable Values (TIV):	\$ 198,762,071	\$ 218,401,962	9.88%
Earthquake TIV:	Not Applicable	Not Applicable	N/A
Earthquake Limit:	Not Covered	Not Covered	N/A
*Property Annual Cost:	\$ 247,509.26	\$ 356,653.74	44.09%
Cyber Liability Annual Cost:	\$ 9,304.89	\$ 9,112.86	-2.06%
Pollution Liability Annual Cost:	\$ 2,038.16	\$ 2,321.55	13.90%
Total Account Rate (\$/100):	0.1302322	0.1685370	29.41%
**Total Annual Cost:	\$ 258,852.31	\$ 368,088.15	42.20%

*Property Annual Cost includes: all premiums, underwriting fees, commissions, loss control expenses, program administration charges, and applicable taxes

** Total Annual Cost includes the following: Property Annual Cost

The following pages are coverage items currently under review with the HARPP markets to be effective on July 1, 2023.

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

HARPP SUMMARY OF PROPOSED CHANGES

BELOW IS A SUMMARY OF PROPOSED CHANGES FOR THE 2023-2024 POLICY PERIOD AS OF MAY 04, 2023

Coverage	2022-2023 Sub-limit / Deductible	2023-2024 Sub-limit / Deductible
Scheduled Landfill sub-limit	Not specified	\$5,000,000 Scheduled Landfills (as more fully defined in the policy); or 120% of values on on file with Alliant Insurance Services, Inc. whichever is less.
Personal Property Outside of USA	\$1,000,000 Personal Property Outside of the USA	\$1,000,000 Personal Property Outside of the USA (<u>including associated business interruption</u>)
Cyber Liability	Please refer to Proposal for Summary of Changes <i>if</i> coverage is purchased.	
Pollution Liability	Please refer to Proposal for Summary of Changes <i>if</i> coverage is purchased.	

Coverage	2022-2023 Master Policy Form	2023-2024 Master Policy Form
Policy Period	July 1, 2022 to July 1, 2023	July 1, 2023 to July 1, 2024
USA Form No.	18	19
Section I, E. 2 Sub-Limits of Liability		Scheduled Landfills; or 120% of values on file with Alliant Insurance Services, Inc. whichever is less.
Section I, E. 2 Sub-Limits of Liability	Personal Property outside the U.S.A.	Personal Property outside the U.S.A. (<u>including associated business interruption</u>)
Section II, B. 4. Off Premises Services Interruption	Last sentence: to an Insured Location. The coverage provided by this clause is sub-limited to USD as per Declaration Page.	Last sentence: to an Insured Location. The coverage provided by this clause is sub-limited to USD as per Declaration Page. <u>Coverage under this extension is subject to a 24-hour waiting period.</u>
Section II, B. 8. Debris Removal	This Policy also covers expenses incurred in the removal of debris of the property covered hereunder from the Insured Location that may be destroyed or damaged by a covered peril(s).	This Policy also covers expenses incurred in the removal of debris of the property covered hereunder from the Insured Location that may be destroyed or damaged by a covered peril(s).
Section II, B. 11. Increased Cost of Construction	See Policy	See Policy for details. Wording has been modified to provide clarity on intent.
Section II, B. 15. Transit	See Policy	See Policy for details. Wording has been modified to exclude Ocean Marine coverages.
Section II, D. 6	Library contents	Library contents value increased per 18.6% inflation value
Section II, D. 7	See Policy	See Policy for details. Wording has been modified for valuation on vehicles greater than 10 years of age to actual cash value.
Section IV, AF. Service of Suit Clause (USA) Applicable to Excess Carriers	See Policy	See Policy for details
Endorsement 1	1. Company means Lexington Insurance Company	1. Company means <u>any Insurance Company offering coverage under this policy.</u>

San Gorgonio Memorial Healthcare District 2023/24 Executive Summary

as of: 6/16/2023

	Premium 7/1/22 - 7/1/23	Premium 7/1/23 - 7/1/24	Δ	Notes
Hospital All Risk Property Program (HARPP): Property, B&M, Cyber & Pollution				
Policy Limits: \$250,000,000 All Risk				
Deductible: \$10,000 All Risk				
Exposure	198,762,071	218,401,962	9.88%	TIV
Rate per \$100 of TIV	0.13023	0.16854	29.41%	
Premium:	\$ 258,852	\$ 368,088	42.20%	Bindable/Final
APIP Cyber Excess				
Policy Limits: \$2,000,000 Each Member Aggregate / \$2,000,000 Policy Aggregate				
Premium	\$ 62,455	\$ 67,881	8.69%	Bound
Alliant Deadly Weapon Response Program (ADWRP)				
Policy Limits: \$500,000 Each And Every Deadly Weapon Event/ Aggregate				
Deductible: \$10,000 Each And Every Deadly Weapon Event				
Exposure	198,762,071	218,401,962	9.88%	TIV
Premium	\$ 6,399	\$ 6,865	7.28%	Bound
Crime (ACIP)				
Policy Limits: \$5,000,000				
Deductible: \$25,000				
Exposure	629	609	-3.18%	EE Count
Premium	\$ 10,304	\$ 10,304	0.00%	Bound
Non Profit Crime (San Gorgonio Memorial Hospital Foundation)				
Policy Limits: \$500,000				
Deductible: \$5,000				
Exposure	-	11		EE Count
Premium	-	\$ 541		Bindable/Final
		*Annual Premium to be pro-rated based on effective date		
Total	\$ 338,011	\$ 453,679	34.22%	

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

PROPERTY PROPOSAL

TYPE OF INSURANCE: Insurance Reinsurance

PROGRAM: Hospital All Risk Property Program (HARPP)

NAMED INSURED: San Gorgonio Memorial Healthcare District

DECLARATION: 8-Hospitals 3

POLICY PERIOD: July 1, 2023 to July 1, 2024

COMPANIES: See Attached List of Companies

**TOTAL INSURED
VALUES:** \$ 218,401,962 as of June 13, 2023

**ALL RISK
COVERAGES &
SUB-LIMITS:**

\$	250,000,000	Per Occurrence: all Perils, Coverages (subject to policy exclusions) and all Named Insureds (as defined in the policy) combined, per Declaration, regardless of the number of Named Insureds, coverages, extensions of coverage, or perils insured, subject to the following per occurrence and/or aggregate sub-limits as noted below.
\$	10,000,000	Flood Limit - Per Occurrence and in the Annual Aggregate (for those Named Insured(s) that purchase this optional dedicated coverage).
	Not Covered	Per Occurrence and in the Annual Aggregate for scheduled locations in Flood Zones A & V (inclusive of all 100 year exposures). This Sub-limit does not increase the specific flood limit of liability for those Named Insured(s) that purchase this optional dedicated coverage.
	Not Applicable	Per Occurrence for losses to locations in Tier 1 and/or Tier 2 Counties and resulting from a Named Windstorm.
	Not Covered	Earthquake Shock - Per Occurrence and in the Annual Aggregate (for those Named Insured(s) that purchase this optional dedicated coverage).
\$	100,000,000	Combined Business Interruption, Rental Income and Tuition Income (and related fees). However, if specific values for such coverage have not been reported as part of the Named Insured's schedule of values held on file with Alliant Insurance Services, Inc., this sub-limit amount is limited to \$500,000 per Named Insured subject to maximum of \$2,500,000 Per Occurrence, Per Declaration for Business Interruption, Rental Income and Tuition Income combined. Coverage for power generating plants is excluded, unless otherwise specified.
\$	50,000,000	Extra Expense.

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

Per Bound TIV	\$10,000,000	Miscellaneous Unnamed Locations for Named Insureds with total insurable values greater than or equal to \$250,000,000 at time of binding or \$5,000,000 Miscellaneous Unnamed Locations for Named Insureds with total insurable values less than \$250,000,000 at time of binding excluding Earthquake coverage for Alaska and California locations. If Flood coverage is purchased for scheduled locations, this extension will extend to include Flood coverage for any location not situated in Flood Zones A or V. Vacant properties are sub-limited to \$2,500,000.
365 Days	Extended Period of Indemnity	
See Policy Provisions	\$50,000,000, or a Named Insured's Policy Limit of Liability if less than \$50,000,000, Automatic Acquisition for 120 days except:	<ul style="list-style-type: none"> - \$25,000,000 Automatic Acquisition for 90 days for new sub-member and/or entity of an existing Pools, JPA or Group; - \$25,000,000 Automatic Acquisition for 90 days for Vacant properties; - \$10,000,000 Automatic Acquisition for 120 days for Licensed Vehicles; - \$2,500,000 Automatic Acquisition for 60 days for additional property and/or interests in Tier 1 Wind Counties, Parishes and Independent Cities for the states of Virginia, North Carolina, South Carolina, Georgia, Alabama, Mississippi, Louisiana, Texas and/or situated anywhere within the states of Florida and Hawaii; - The peril of Earthquake is excluded for the states of Alaska and California; - If Flood coverage is purchased for all scheduled locations, this extension will extend to include Flood coverage for any location not situated in Flood Zones A or V.
\$	1,000,000	Unscheduled Landscaping, tees, sand traps, greens, athletic fields and artificial turf and further subject to \$25,000 / 25 gallon maximum per item for existing Named Insureds excluding Earthquake coverage for Alaska and California locations. If Flood coverage is purchased for scheduled locations, this extension includes Flood coverage for any location not situated in Flood Zones A or V.
\$	5,000,000	or 110% of the scheduled values, whichever is greater, for Scheduled Landscaping, tees, sand traps, greens, athletic fields and artificial turf and further subject to \$25,000 / 25 gallon maximum per item.
\$	5,000,000	or 120% of the scheduled values, whichever is less, for Scheduled Landfills (as more fully defined in the policy).
\$	50,000,000	Errors & Omissions - This extension does not increase any more specific limit stated elsewhere in this policy or Declarations.
\$	25,000,000	Course of Construction and Additions (including new) for projects with completed values not exceeding the sub-limit shown. Projects valued greater than \$15,000,000 require underwriting approval and a premium charge.

ALL RISK COVERAGES & SUB-LIMITS: (continued)	\$	500,000	Money & Securities for named perils only as referenced within the policy, however fraudulent impersonation, fraudulent instruction or similar events are excluded.
	\$	2,500,000	Unscheduled Fine Arts.
	\$	250,000	Accidental Contamination per occurrence and annual aggregate per Named Insured with \$500,000 annual aggregate for all Named Insureds per Declaration. Coverage shall not attach or become insurance upon any property which at the time of loss is more specifically described and covered under any other policy form until the liability of such other insurance has first been exhausted and shall then cover only the excess of value of such property over and above the amount payable under such other insurance, whether collectible or not.
	\$	750,000	Unscheduled infrastructure including but not limited to tunnels, bridges, dams, catwalks (except those not for public use), roadways, highways, streets, sidewalks, culverts, channels, levees, dikes, berms, embankments, landfills (as more fully defined in the policy), docks, piers, wharves, street lights, traffic signals, meters, roadway or highway fencing (including guardrails), and all similar property unless a specific value has been declared. Unscheduled infrastructure coverage is excluded for the peril of Earthquake and excluded for Federal Emergency Management Agency (FEMA) and/or Office of Emergency Services (OES) declared disasters, providing said declaration provides funding for repairs.
	\$	50,000,000	Increased Cost of Construction due to the enforcement of building codes/ ordinance or law (includes All Risk and Boiler & Machinery) except \$2,500,000 for vacant properties.
	\$	25,000,000	Transit - Physical Damage only.
	\$	2,500,000	Unscheduled Animals; not to exceed \$50,000 per Animal, per Occurrence.
	\$	2,500,000	Unscheduled Watercraft up to 27 feet.
		Not Covered	Per Occurrence for Off Premises Vehicle Physical Damage.
	\$	25,000,000	Off Premises Services Interruption including Extra Expense resulting from a covered peril at non-owned/operated locations.
	\$	5,000,000	Per Occurrence Per Named Insured subject to an Annual Aggregate of \$10,000,000 for Earthquake Shock on Licensed Vehicles, Unlicensed Vehicles, Contractor's Equipment and Fine Arts combined for all Named Insured(s) in this Declaration combined that do not purchase optional dedicated Earthquake Shock coverage, and/or where specific values for such items are not covered for optional dedicated Earthquake Shock coverage as part of the Named Insured's schedule of values held on file with Alliant Insurance Services, Inc..

ALL RISK COVERAGES & SUB-LIMITS: (continued)	\$ 5,000,000	Per Occurrence Per Named Insured subject to an Annual Aggregate of \$10,000,000 for Flood on Licensed Vehicles, Unlicensed Vehicles, Contractor's Equipment and Fine Arts combined for all Named Insured(s) in this Declaration combined that do not purchase optional dedicated Flood coverage, and/or where specific values for such items are not covered for optional dedicated Flood coverage as part of the Named Insured's schedule of values held on file with Alliant Insurance Services, Inc..
	\$ 3,000,000	Contingent Business Interruption, Contingent Extra Expense, Contingent Rental Values and Contingent Tuition Income separately.
	\$ 3,000,000	Tax Revenue Interruption – Per Policy Provisions. However, if specific values for such coverage have not been reported as part of the Named Insured's schedule of values held on file with Alliant Insurance Services, Inc., this sub-limit amount is limited to \$1,000,000 Per Occurrence – Per Policy Provisions.
	\$ 500,000	Jewelry, Furs, Precious Metals and Precious Stones Separately.
	\$ 1,000,000	Claims Preparation Expenses.
	\$ 50,000,000	Expediting Expenses.
	\$ 1,000,000	Personal Property Outside of the USA (including associated Business Interruption).

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

	Not Covered	Per Occurrence Per Declaration Upgrade to Green Coverage subject to the lesser of, the cost of upgrade, an additional 25% of the applicable limit of liability shown in the schedule of values or this sub limit.
	Not Covered	for Communicable Disease.
\$	100,000	Per Occurrence while in Storage and In Transit coverage subject to \$10,000 Deductible for Unmanned Aircraft as more fully defined in the Policy. Not Covered while in Flight.
\$	100,000	Per Occurrence with a \$1,000,000 Annual Aggregate per Declaration for Mold/Fungus Resultant Damage as more fully defined in the policy.
\$	100,000,000	Ingress/Egress Per Occurrence, Per Named Insured for the actual loss sustained during the period of time not exceeding 30 days when, as a direct result of physical loss or damage caused by a covered peril(s) specified by this Policy and occurring at property located within a 10 mile radius of covered property, ingress to or egress from the covered property by this Policy is prevented.
\$	100,000,000	Interruption By Civil Authority Per Occurrence, Per Named Insured for the actual loss sustained during the period of time not exceeding 30 days when, as a direct result of physical loss or damage caused by a covered peril(s) specified by this Policy and occurring at property located within a 10 mile radius of covered property, access to the covered property is specifically prohibited by order of a civil authority.
\$	10,000,000	Electronic Data Processing Media.

VALUATION:

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

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

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

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

**“ALL RISK”
DEDUCTIBLE:**

\$	10,000	Per Occurrence, which will apply in the event a more specific deductible is not applicable to a loss.
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**DEDUCTIBLES FOR
SPECIFIC PERILS
AND COVERAGES:**

	Not Covered	Per Occurrence for Flood Zones A & V (inclusive of all 100 year exposures).
\$	100,000	All Flood Zones Per Occurrence excluding Flood Zones A & V.

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

	Not Applicable	for losses to locations in Tier 1 and/or 2 Counties and resulting from a Named Windstorm.
	Not Covered	Earthquake Shock: If the stated deductible is a flat dollar amount, the deductible will apply on a Per Occurrence basis, unless otherwise stated. If the stated deductible is on a percentage basis, the deductible will apply Per Occurrence on a Per Unit basis, as defined in the policy form, subject to the minimum deductible per occurrence.
\$	1,000	Per Occurrence for Specially Trained Animals.
\$	500,000	Unscheduled infrastructure including but not limited to tunnels, bridges, dams, catwalks (except those not for public use), roadways, highways, streets, sidewalks, culverts, channels, levees, dikes, berms, embankments, landfills (as more fully defined in the policy), docks, piers, wharves, street lights, traffic signals, meters, roadway or highway fencing (including guardrails), and all similar property unless a specific value has been declared. Unscheduled infrastructure coverage is excluded for the peril of Earthquake and excluded for Federal Emergency Management Agency (FEMA) and/or Office of Emergency Services (OES) declared disasters, providing said declaration provides funding for repairs.
\$	10,000	Per Vehicle or Item for Licensed Vehicles, Unlicensed Vehicles and Contractor's Equipment subject to \$100,000 Maximum Per Occurrence, Per Named Insured for the peril of Earthquake for Named Insured(s) who do not purchase dedicated Earthquake limits.
\$	50,000	Per Occurrence Per Named Insured for this Declaration for Fine Arts for the peril of Earthquake for Named Insured(s) who do not purchase dedicated Earthquake limits.
\$	10,000	Per Vehicle or Item for Licensed Vehicles, Unlicensed Vehicles and Contractor's Equipment subject to \$100,000 Maximum Per Occurrence, Per Named Insured for the peril of Flood for Named Insured(s) who do not purchase dedicated Flood limits.
\$	50,000	Per Occurrence Per Named Insured for this Declaration for Fine Arts for the peril of Flood for Named Insured(s) who do not purchase dedicated Flood limits.
	24 Hour	Waiting Period for Service Interruption for All Perils and Coverages.
	2.5%	of Annual Tax Revenue Value per Location for Tax Interruption.
	24 Hour	Waiting Period for Ingress/Egress
	24 Hour	Waiting Period for Civil Authority

DEDUCTIBLES FOR SPECIFIC PERILS AND COVERAGES: (continued)

Not Covered	Per Occurrence for Off Premises Vehicle Physical Damage. If Off-Premises coverage is included/purchased, the stated deductible will apply to vehicle physical damage both on and off-premises on a Per Occurrence basis, unless otherwise stated. If Off-Premises coverage is not included, On-Premises/In-Yard coverage is subject to the All Risk (Basic) deductible.
Not Covered	Per Occurrence for Contractor's Equipment.

SPECIAL TERMS AND CONDITIONS:

It is understood and agreed that notwithstanding anything contained herein to the contrary the following shall apply to this Policy:

The following stand-alone coverages are provided by the APIP program but are not covered in the Limit of Liability or the Sub-Limits of Liability above or attached to the Master Policy Form Wording. However, the coverage costs are included in the APIP Total Cost noted below. Carriers providing these coverages are included in the Schedule of Carriers.

\$ 100,000,000	Per Named Insured Per Occurrence subject to \$200,000,000 Annual Aggregate of Declarations 1-14, 18-30 and 32-35 combined as respects Property Damage, Business Interruption, Rental Income and Extra Expense Combined for Terrorism (Primary Layer).
\$ 10,000	Per Occurrence Deductible for Primary Terrorism.
\$ 600,000,000	Per Named Insured for Terrorism (Excess Layer) subject to;
\$ 1,100,000,000	Per Occurrence, All Named Insureds combined in Declarations 1-14, 18-21, 23-30 and 32-35 for Terrorism (Excess Layer) subject to;
\$ 1,400,000,000	Annual Aggregate shared by all Named Insureds combined in Declarations 1-14, 18-21, 23-30 and 32-35, as respects Property Damage, Business Interruption, Rental Income and Extra Expense combined for Terrorism (Excess Layer).
\$ 500,000	Per Occurrence Deductible for Excess Terrorism (Applies only if the Primary Terrorism Limit is exhausted).
Included	Information Security & Privacy Insurance with Electronic Media Liability Coverage. See attached Cyber Coverage Summary for applicable Limits. (Cyber Liability) If, insured purchases such coverage.
TBD	Per Named Insured, Per occurrence subject to an Annual Aggregate of Declarations 1-14, 18-30 and 32-35 as respects Personal and Real property for Cyber Attack Resultant Damage
Included	- Healthcare Pollution Policy Pollution Liability Insurance Coverage. See attached Pollution Liability Insurance Coverage Document for applicable limits and deductibles. If, insured purchases such coverage. If, insured purchases such coverage.

TERMS & CONDITIONS:

Sub-limits, terms and conditions are subject to change.

25% Minimum Earned Premium and cancellations subject to 10% penalty

Except Cyber Liability Premium is calculated on a pro-rata basis, unless there is a claim in which case the premium is deemed fully earned. If, insured purchases such coverage.

Except Pollution Liability Premium is 100% Earned at Inception, unless there is a claim in which premium is deemed fully earned. If, insured purchases such coverage.

NOTICE OF CANCELLATION:

90 Days except 10 Days for non-payment of premium

OPTION 1 (Expiring)	\$ 10,000 All Risk Deductible / \$ 10,000 B&M Deductible Not Covered - Upgrade to Green Limit
	Annual Cost*
Total Property Premium:	\$ 332,105.00
Excess Boiler:	\$ 3,070.00
Cyber Liability Premium:	\$ 8,832.00
Pollution Liability Premium:	\$ 2,250.00
ABS Fee:	\$ 2,891.00
SLT&F's (Estimate)	\$ 11,010.97
Broker Fee:	\$ 7,929.18
TOTAL COST †: (Including Taxes and Fees)	\$368,088.15

OPTIONAL QUOTE(S) All terms and conditions are the same as quoted above with the exception of the following:

OPTION 2	\$ 10,000 All Risk Deductible / \$ 10,000 B&M Deductible INCLUDING - \$5,000,000 Upgrade to Green Limit
	Annual Cost*
TOTAL COST †: (Including Taxes and Fees)	\$376,390.97

*Premiums are based on valid selectable options and the TIV's above. Changes in TIV's will require a premium adjustment.

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

OPTION 3	\$ 25,000 All Risk Basic, B&M & Primary Terrorism Deductibles Not Covered - Upgrade to Green Limit
	Annual Cost*
TOTAL COST †: (Including Taxes and Fees)	\$357,618.25

*Premiums are based on valid selectable options and the TIV's above. Changes in TIV's will require a premium adjustment.

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

OPTION 4	\$ 25,000 All Risk Basic, B&M & Primary Terrorism Deductibles INCLUDING \$ 5,000,000 Upgrade to Green Limit
	Annual Cost*
TOTAL COST †: (Including Taxes and Fees)	\$365,555.65

*Premiums are based on valid selectable options and the TIV's above. Changes in TIV's will require a premium adjustment.

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

PRINT DATE: June 16, 2023

QUOTE VALID UNTIL: July 1, 2023

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

Courtney L. Ramirez
Senior Vice President

Josie Charley
Account Manager

NOTES:

- **Some coverage, limits, sub-limits, terms and conditions will change, as negotiations are ongoing. Changes will be documented and accompany the Binder Confirmation for July 1, 2023 bound terms. Changes include but are not limited to a \$5M limit for landfills (as defined in the policy), restriction of valuation on vehicles greater than 10 years of age to actual cash value and expanding coverage on personal property outside of the United States to include associated Business Interruption. Coverage outlined in this Proposal is subject to the terms and conditions being negotiated with the policy. To be finalized and presented at Program Inception. Note: In addition to program specific changes noted, there are general restrictions within the market that we will address during the renewal process. Potential market restrictions include but are not limited to Strike, Riot and Civil Commotion and valuation restrictions (i.e. margin clauses and/or occurrence limit of liability endorsements).**
- **For most members the All Risk limit is \$800,000,000 in the proposal. The All Risk limit is estimated to bind between \$500,000,000 and \$1,000,000,000. If your All Risk limits are less than \$500,000,000 they are not expected to change.**
- **The program expects to continue purchasing Cyber Resultant Physical Damage cover which is provided to members purchasing Terrorism within the program – limits to be determined. See expiring Policy No. B0180PF2209084 and B0180PF2209624 for current coverage details.**
- **This proposal is based on the current loss experience and is subject to change if this insured's loss ratio deteriorates further and/or if the markets suffer a catastrophic event**
- **Change in Total Insurable Values will result in adjustment in premium**
- **Each line of coverage is rated separately. Increases in TIV's on highly rated coverages such as Vehicles, CE, EQ or 100 year Flood Zones, etc. may increase the insured's average account rate.**
- **The flood zones provided on the Schedule of Values (SOVs) are for rating purposes only. The actual flood zone will be determined at the time of loss.**