AMERICAN SAFETY INSURANCE SERVICES, INC.
INSURANCE PROPOSAL
FOR

Colusa and Trinity Counties Public Works

This proposal is being offered by American Safety Insurance (**ASI**) and/or its affiliates. ASI consists of a group of insurance companies and service providers that offer specialty insurance products on either an admitted, excess and surplus, or authorized basis in all 50 states and the District of Columbia.

AMERICAN SAFETY INSURANCE SERVICES, INC. (**ASIS**) ASIS serves as the Program Manager of the American Safety Insurance program as well as related insurance programs that are written through strategic partners. ASIS' responsibilities include marketing, underwriting, loss control, claims handling, accounting, and other financial and administrative functions.

The following is a brief synopsis of the American Safety Insurance company that applies to this proposal.

MEMBER COMPANIES

AMERICAN SAFETY INDEMNITY COMPANY (ASIC)
ASIC became an affiliate in March 2000. The company is an approved excess and surplus lines property and casualty insurer in 40 states and the District of Columbia. ASIC is rated A:IX by the A.M. Best Company.

ADDITIONAL BENEFITS

LOSS CONTROL SERVICES
An added value of the American Safety Insurance Program is the extensive loss control services provided to our insureds. Within thirty days of binding coverage, a loss control representative will contact the insured to arrange a loss control inspection. While the purpose of the loss control inspection is to assess the insurability of the insured, our unique consultative approach entails a comprehensive review of the insured's operations to identify areas for improvement in loss prevention and reduce the risk of claims. This benefits both the insurance company and the insured.

Part of the loss control program includes a review of guidelines developed by American Safety which outline minimum standards to be followed by Colusa and Trinity Counties Public Works. These Company Guidelines form an integral part of the loss control services and should be reviewed in detail by Colusa and Trinity Counties Public Works. Any questions regarding these minimum standards may be addressed at the time of the loss control inspection.

Insured Site/Premises:

1. Stonyford Landfill
2. Evans Road Landfill
3. Maxwell Transfer Station
4. Weaverville Landfill
5. Transfer Stations: Hayfork, Big Bar, Burnt Ranch, Junction City, Ruth, Van Duzen, Hobel, Hyampom

Summary of Site Pollution Impairment Legal Liability Limits of Liability and Self Insured Retention
We are proposing our site-specific sudden and gradual site pollution liability policy. The policy covers losses arising from “environmental impairment incidents” at or from the insured site(s) which result in claims for property damage, bodily injury, or clean-up costs arising from environmental impairment incidents, subject to all of the policy terms, conditions and exclusions, including:

- Coverage A - Claims for Off-Site Bodily Injury and Property Damage
- Coverage B - Claims for Off-Site Cleanup Costs

Limit of Liability:	Refer to Option Table below.
Self Insured Retention:	Refer to Option Table below.
Premium Indication:	Refer to Option Table below.
Minimum Earned Premium:	100% minimum earned at binding
Policy Period	One-, 2- or 3-years; dates are to be determined.
Retroactive Dates:	• Coverage A: Policy Inception • Coverage B: Policy Inception

Option Table:

Option	Each Environmental Impairment Incident	Policy Aggregate	Self Insured Retention[1]	One Year Premium	Two Year Premium	Three Year Premium
1	$1,000,000	$1,000,000	$10,000 Waste Transfer Station; $25,000 Landfills; $25,000/claim for Transportation	$34,500	$53,475	$75,900
2	$5,000,000	$5,000,0000	$10,000 Waste Transfer Station; $25,000 Landfills; $25,000/claim for Transportation	$58,167	$90,159	$127,967

List Of Environmental Impairment Liability Endorsements (Claims - Made)

ENDORSEMENT #	ENDORSEMENT NAME
EIL 00 000 05 08	Commercial Environmental Impairment Liability Coverage Form
EIL 00 001 04 06	Self-Insured Retention Endorsement
EIL 00 011 05 06	Additional Insured Coverage Endorsement
EIL 00 086 04 06	War Or Terrorism Exclusion
EIL 00 087 04 06	Environmental Impairment Incident Exclusion
EIL 00 235 07 07	Transportation Coverage Endorsement
EIL 00 400 11 07	Mold, Mildew, Fungus Exclusion Endorsement
EIL 00 500 04 06	Insured Site Coverage Endorsement
EIL 00 508 07 06	Landfill Exclusion Amendatory Endorsement

[1] ***Per incident***

ENDORSEMENT #	ENDORSEMENT NAME
EIL 00 603 07 06	Government Mandated Cleanup Amendatory Endorsement
EIL 00 605 10 06	Institutional Safeguards Endorsement
MAN 05 001 03 05	Special Endorsement - Material Change in Use Exclusion
MAN 05 001 03 05	Special Endorsement – Cross Suits Exclusion

Please note that coverage for non-owned sludge disposal sites is available, contingent upon provision of additional documentation and for additional premium.

1-, 2-, and 3-year terms are subject to receipt and approval of the following:

REQUIRED PRIOR TO BINDING

- ASI completed EIL application.
- Any available Environmental Site Assessments
- Information on Stormwater Discharge
- Information regarding secondary containment at the landfills
- Permit of clean closure for Weaverville Landfill. If permit not issued, what is the expected date of closure?
- Leachate Collection Report for Weaverville Landfill done the first half of 2011.
- Please advise the client this is not in any way considered Closure/Post Closure insurance for Weaverville Landfill. This will only provide coverage for pollution that leaches off-site and is required to be cleaned up.

TO: Our Valued Applicant or Policyholder
Cc: Ralph Molyneaux, Legends Environmnetal
Re: NOTICE – OFFER OF TERRORISM COVERAGE
NOTICE – DISCLOSURE OF PREMIUM

Applicant/Insured: Colusa County Public Works
Insurance Company: American Safety Indemnity Insurance Company

You are hereby notified that under the Terrorism Risk Insurance Act, as amended, you have a right to purchase insurance coverage for losses resulting from acts of terrorism, *as defined in Section 102(1) of the Act*: The term "act of terrorism" means any act that is certified by the Secretary of the Treasury—in concurrence with the Secretary of State, 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.

See the section of this Notice titled DISCLOSURE OF PREMIUM. If you choose to accept this offer of coverage by your selection statement, your premium will include the additional premium for terrorism as stated in such DISCLOSURE.

You may choose to reject the offer by signing the enclosed statement and returning it to us and the terrorism exclusion will then be applicable at the inception date of your policy. Failure to pay the premium by the due date will constitute rejection of the offer.

DISCLOSURE OF PREMIUM

If you accept this offer, the premium for terrorism coverage are as follows:

Additional Premium (AP) Options For Terrorism Coverage

Option	One Year AP	Two Year AP	Three Year AP
1	$4,140	$6,417	$9,108
2	$6,980	$10,819	$15,356

DISCLOSURE OF FEDERAL PARTICIPATION IN PAYMENT OF TERRORISM LOSSES

YOU SHOULD KNOW THAT WHERE COVERAGE IS PROVIDED BY THIS POLICY FOR LOSSES RESULTING FROM CERTIFIED ACTS OF TERRORISM, SUCH LOSSES MAY BE PARTIALLY REIMBURSED BY THE UNITED STATES GOVERNMENT UNDER A FORMULA ESTABLISHED BY FEDERAL LAW. HOWEVER, YOUR POLICY MAY CONTAIN OTHER EXCLUSIONS WHICH MIGHT AFFECT YOUR COVERAGE, SUCH AS EXCLUSION FOR NUCLEAR EVENTS. UNDER THE FORMULA, THE UNITED STATES GOVERNMENT GENERALLY REIMBURSES 85% OF COVERED TERRORISM LOSSES EXCEEDING THE STATUTORILY ESTABLISHED DEDUCTIBLE PAID BY THE INSURANCE COMPANY PROVIDING THE COVERAGE. THE PREMIUM CHARGED FOR THIS COVERAGE IS PROVIDED BELOW AND DOES NOT INCLUDE ANY CHARGES FOR THE PORTION OF LOSS THAT MAY BE COVERED BY THE FEDERAL GOVERNMENT UNDER THE ACT.

YOU SHOULD ALSO KNOW THAT THE TERRORISM RISK INSURANCE ACT, AS AMENDED, CONTAINS A $100 BILLION CAP THAT LIMITS U.S. GOVERNMENT REIMBURSEMENT AS WELL AS INSURERS' LIABILITY FOR LOSSES RESULTING FROM CERTIFIED ACTS OF TERRORISM WHEN THE AMOUNT OF SUCH LOSSES IN ANY ONE CALENDAR YEAR EXCEEDS $100 BILLION. IF THE AGGREGATE INSURED LOSSES FOR ALL INSURERS EXCEED $100 BILLION, YOUR COVERAGE MAY BE REDUCED.

SELECTION OR REJECTION STATEMENT
TERRORISM RISK INSURANCE ACT OF 2002

To: American Safety Insurance Services, Inc.
d/b/a in California as ASIG Insurance Services, Inc.

Re: Applicant/Insured: Colusa and Trinity Counties Public Works
Insurance Company: American Safety Indemnity Insurance Company

Please select one.

☐ I hereby elect to purchase terrorism coverage as afforded by the Terrorism Risk Insurance Act of 2002 for the premium amount as quoted.

☐ I hereby reject the offer to amend the terrorism exclusion contained in this Quote or Policy. I understand that the exclusion will be applicable at the inception date of my policy.

First Named Insured
Applicant: _____

Signature: _____

Print Name: _____

Title: _____

Date: _____

Notes:

- Must be signed by owner or corporate officer.
- Please attach your completed Selection or Rejection Statement to your request to bind coverage.