

Underwriting Committee Annual Summary Report 2014-2015

INTRODUCTION

It is the Committee's responsibility to review rating, actuarial reports and changes to the Trust's Scopes of Coverage. The Committee met three times during the year and made the following recommendations which were approved by the Board:

LIABILITY SCOPE CHANGES FOR 2014-2015

Primary Liability Program

- Harassment (pp. 1-7, 1-18, 2-3, and 3-3)

For any Claim alleging Harassment by a Member, all Damages shall be deemed to have occurred at the time of the first act of abuse or molestation, and all such acts of abuse or molestation shall be deemed to be one Occurrence, Offense, or Wrongful Act, subject to the Limit of Liability for one Occurrence, Offense, or Wrongful Act, whether committed by the same perpetrator or two or more perpetrators acting in concert and without regard to the number of victims of abuse or molestation or the number of incidents of abuse or molestation taking place thereafter.

Harassment is defined as any actual or alleged abuse or molestation against anyone, including sexual abuse, sexual molestation, or other unwelcome act, conduct, communication, or physical contact.

- Taking (p. 3-7)

Subject to a limit of \$1,000,000, the Trust will defend Member in Lawsuits alleging Damages arising out of or in any way connected with the operation of the principles of eminent domain, adverse possession, dedication by adverse use, inverse condemnation, or condemnation proceedings, by whatever name used.

- Cargo Spills Endorsement (p. A-38)

Subject to a limitation of \$10,000 per Occurrence, the Trust will pay those sums that Member becomes legally obligated to pay as Damages because of Bodily Injury or Property Damage caused by or attributable to a sudden and accidental discharge, dispersal, release or escape of Pollutants from a covered Auto and any Loss, cost, or expense arising out of any government direction or request that Member tests for, monitors, cleans up, removes, contains, treats, detoxifies, or neutralizes Pollutants arising from Member's ownership or use of covered Autos.

- Cyber Insurance Program Endorsement (p. A-39)

If Member participates in the Cyber Insurance Program, the Trust will provide coverage to Member in accordance with the terms and conditions of the Cyber Insurance Program, subject to a limit of \$25,000 per Occurrence, Offense, or Wrongful Act, in which event the coverage provided by the Trust will be primary and the coverage provided by the Cyber Insurance Program will be excess. The coverage provided by the Trust under this Endorsement to a Member that participates in the Cyber Insurance Program is not subject to the Deductible Amount, if any, set forth in the Declarations.

If Member does not participate in the Cyber Insurance Program, the Trust will not cover any Claim for Damages covered by the Cyber Insurance Program, except for coverage provided in the Cyber Loss Endorsement to the Primary Liability Program. The coverage provided by the Trust under the Cyber Loss Endorsement to the Primary Liability Program to a Member that does not participate in the Cyber Insurance Program is subject to the Deductible Amount, if any, set forth in the Declarations.

Property Program

- Electronic Data Exclusion and Limited Additional Coverage Endorsement (p. A-12)

The limit for loss caused by a virus, harmful code, or similar instruction introduced into or enacted on a computer system (including electronic data) or a network to which it is connected, designed to damage or destroy any part of the system or disrupt its normal operation is \$25,000 for all loss or damage sustained in any one policy year, regardless of the number of occurrences of loss or damage or the number of premises, locations, or computer systems involved.

- Cyber Insurance Program Endorsement (p. A-23)

If Member participates in the Cyber Insurance Program, the Trust will provide coverage to Member in accordance with the terms and conditions of the Cyber Insurance Program, subject to a limit of \$25,000 per Occurrence, in which event the coverage provided by the Trust will be primary and the coverage provided by the Cyber Insurance Program will be excess. The coverage provided by the Trust under this Endorsement to a Member that participates in the Cyber Insurance Program is not subject to the Deductible Amount, if any, set forth in the Declarations.

If Member does not participate in the Cyber Insurance Program, the Trust will not cover any Claim for Damages covered by the Cyber Insurance Program, except

for coverage provided in the Electronic Data Exclusion and Limited Additional Coverage Endorsement to the Property Program. The coverage provided by the Trust under the Electronic Data Exclusion and Limited Additional Coverage Endorsement to the Property Program to a Member that does not participate in the Cyber Insurance Program is subject to the Deductible Amount, if any, set forth in the Declarations.

- Terrorism Endorsement (p. A-24)

The Trust will cover physical loss or physical damage by an Act or series of Acts of Terrorism in accordance with the terms and conditions of the reinsurance program of which the Trust is a member, subject to the limits of liability under the reinsurance program.

The Trust will not cover any physical loss or physical damage by an Act or series of Acts of Terrorism unless the loss or damage is covered by the reinsurance program.

RATES FOR 2014-2015

The committee also recommended setting rates for 2014-2015 which resulted in the following funding changes:

- A change for Property of -4.0%
- A change for Primary Liability of +2.2% .
- A change for Excess Liability of +2%

New members for the FY15 year are below.

<i>Participant</i>	<i>Primary</i>	<i>Excess</i>	<i>Property</i>	<i>Breakdown</i>	<i>Environmental</i>	<i>Employee Dishonesty</i>
<i>Galena</i>	x	x	x	x		

<i>Industrial Development Authority of Carroll Co</i>	x	x	x	x		
<i>Oxford</i>	x	x	x	x		

FY 2014-2015 Committee Members

The Committee in fiscal 2014 was comprised of the following nine members:

John D. Miller, Chair.....Town of Middletown
 Scott A. Hancock, Ex-Officio.....Maryland Municipal League (MML)
 Michael J. Sanderson, Ex-Officio.....Maryland Association of Counties (MACo)
 John E. Bloxom.....Worcester County
 DaVina Griffith.....Garrett County
 Charles Hessling.....City of Bowie
 Lynne Levin.....Howard County
 Cecilia DevilbissCarroll County
 Daniel BadenTown of University Park
 Tony TomaselloCity of Gaithersburg
 Michael KrantzTown of Bel Air