Agenda
Village of Glen Ellyn
Police Pension Fund
Regular Meeting
Wednesday, April 20, 2016
7:30 PM
Glen Ellyn Civic Center, Room 301

A. Call to Order

B. Public Comment (Non Agenda Items)

C. Approval of Minutes

1. Police Pension Fund - Regular Meeting - Jan 20, 2016 7:30 PM
2. Police Pension Fund - Special Meeting - Apr 11, 2016 7:30 PM

D. Quarterly Investment Manager Report

1. First Quarter Investment Report

E. Approval of Expenses

1. Approve the Expense Vouchers in the amount of $14,809.44 and Pension Expenditures in the amount of $451,775.73 for a total of $466,535.17

F. Approval of Membership Changes / Contribution Refunds / Transfers

G. Fiduciary Liability Insurance

1. Renewal of Fiduciary Insurance Policy

H. Department of Insurance Draft Report

I. Other Business

1. Department of Insurance Updates
2. Next Regular Meeting: Wednesday, July 20, 2016 at 7:30 PM
3. Special Meetings Scheduled for April 26, May 31, and June 21 at 7:00 PM

J. Adjournment

1. Adjourn

Individuals with disabilities who plan to attend the hearing and who require certain accommodations in order to allow them to observe and participate, or who have questions regarding the accessibility of the meeting or facilities, are requested to contact the Village at least 24 hours before the meeting.

Minutes
Village of Glen Ellyn
Police Pension Fund
Regular Meeting
Wednesday, January 20, 2016
7:30 PM
Glen Ellyn Civic Center, Room 301

A. Call to Order

Attendee Name	Title	Status
John Adduci	Board Member	Excused
Anthony Terranova	Board Member	Present
Bill Housey	Board Member	Present
Jim Monson	Board Member	Present
Jim Mullany	Board Member	Present

The January 20, 2016 regular meeting of the Glen Ellyn Police Pension Board was called to order by Trustee Mullany at 7:33pm in Room 301 of the Glen Ellyn Civic Center. A quorum was present.

Also Present: Assistant Finance Director Lori Thomas and Recording Secretary Karen Blake

Audience: Michael Stuart of MB Financial

B. Public Comment (Non Agenda Items)

Michael Stuart of MB Financial gave a presentation on MB Financial's custodial services. He confirmed that all is well in its role of executing trades as directed, and believes that MB's fees of $17,000 are in line with the industry. In response to his question, Commissioners expressed that they are satisfied with MB's services. Commissioners had no questions.

C. Approval of Minutes

1. Police Pension Fund - Regular Meeting - Oct 21, 2015 7:30 PM

RESULT:	**APPROVED [UNANIMOUS]**
MOVER:	Jim Monson, Board Member
SECONDER:	Anthony Terranova, Board Member
AYES:	Terranova, Housey, Monson, Mullany
EXCUSED:	Adduci

D. Quarterly Investment Manager Report

1. Fourth Quarter Investment Report

Trustee Mullany said that Manager Rajeck was unable to attend. His report will be attached to the minutes. Trustee Mullany said that the report could be summed up by stating that performance was minimal. Trustee Housey observed that it was a difficult year last year, and will be even more difficult this year, and that Mr. Rajeck's summary was on point.

RESULT:	**APPROVED [UNANIMOUS]**
MOVER:	Bill Housey, Board Member
SECONDER:	Anthony Terranova, Board Member
AYES:	Terranova, Housey, Monson, Mullany
EXCUSED:	Adduci

E. Approval of Expenses

1. January 2016 Vouchers - Police Pension Fund

The following expenses were recommended for approval:

James Monson, Conference Travel Reimbursement, $578.16
Jay Company, Investment Management, $9,912.00
Anthony Terranova, Conference Travel Reimbursement, $485.01
MB Financial, Custodial Fees, $4,332.68
Total: $15,307.85

Trustee Mullany moved and Trustee Monson seconded a motion to approve the expense vouchers in the amount of $15,307.85, and pension expenditures in the amount of $441,457.68 for a total of $456,765.53.

RESULT:	**APPROVED [UNANIMOUS]**
MOVER:	Jim Mullany, Board Member
SECONDER:	Jim Monson, Board Member
AYES:	Terranova, Housey, Monson, Mullany
EXCUSED:	Adduci

F. Approve Statutory Benefit Changes

1. Annual Pension Increases 2016

A 3% increase in pensions is approved at the first of every year for every pensioner. There are adjustments for those over 60 years of age. Trustees discussed the impact of Qualified Domestic Court Orders on individual pensioners, and reviewed the statute thereon. Trustee Mullany will investigate further, and if his review reveals an error, a special meeting can be called to amend the approval motion.

Trustee Monson moved to approve the pension increases as printed. If subsequent investigation reveals in the next 35 days that there is an error, a special meeting of the Pension Board will be called to amend the motion. Trustee Housey seconded the motion, and it carried unanimously by a roll call vote of 4-0.

RESULT:	**APPROVED [UNANIMOUS]**
MOVER:	Jim Monson, Board Member
SECONDER:	Bill Housey, Board Member
AYES:	Terranova, Housey, Monson, Mullany
EXCUSED:	Adduci

G. Request for Approval of new Bank Account for Disbursement Checks

1. Wheaton Bank & Trust Account

Assistant Finance Director Thomas reported that the Illinois Funds will no longer allow writing checks on its accounts. Staff recommends using Wheaton Bank and Trust for this function as of February 1, 2016. This bank will charge a minimal fee, an example of $12.67 in one month, was contained in the packet information. Only a handful of checks would be written on this account in a month. Trustees had no questions or objections.

RESULT:	**APPROVED [UNANIMOUS]**
MOVER:	Anthony Terranova, Board Member
SECONDER:	Jim Monson, Board Member
AYES:	Terranova, Housey, Monson, Mullany
EXCUSED:	Adduci

H. Distribute Police Pension Investment RFP copies

Assistant Finance Director Thomas said that 8 responses were received on the RFP: Sawyer Falduto Asset Management LLC, Investment Performance Services LLC, MB Financial, DeMarche Associates Inc, Marquette Associates, Bogdahn Group, Strategic Capital Investment Advisors and LaSalle Street Capital Management LLC. She distributed them to the Trustees. Trustee Housey asked that they also be distributed electronically. Trustees discussed how to proceed. There is no specific date by which the Board must respond to the candidates. The initial consensus was to form a subcommittee to review all eight, and recommend three candidates to make presentations to the entire Board, rather than to hire a consultant to review the proposals. It might be helpful to have a representative from the Finance Commission on the subcommittee. After further discussion, it was determined that the entire Board could meet outside of the normal meeting schedule to consider the proposals. As the next scheduled meeting of the Board is April 20, the best time would be to meet the prior week on April 11 to consider, but not vote on, the proposals.

I. Other Business

Trustee Mullany reported that the Village Board approved a target rate of return of 6.75%, which was the Pension Board's recommendation. The Finance Commission recommended a lower target rate, and that unused income for the year be designated for the pension fund to lower the unfunded liability. The Trustees discussed the impact of reducing the rate of return assumption. A lower rate of return assumption results in higher contributions from the Village and restricts the Village's ability to address other needs. If the rate of return assumption is not met, the unfunded liability grows. However, part of the Board's fiduciary responsibility is to be as accurate in its assumptions as possible.

It was noted that a new police officer has been hired.

1. Meeting schedule for 2016: January 20, April 20, July 20, October 19

J. Adjournment

1. Motion to Adjourn

RESULT:	**APPROVED [UNANIMOUS]**
MOVER:	Bill Housey, Board Member
SECONDER:	Jim Monson, Board Member
AYES:	Terranova, Housey, Monson, Mullany
EXCUSED:	Adduci

Minutes
Village of Glen Ellyn
Police Pension Fund
Special Meeting
Monday, April 11, 2016
7:30 PM
Glen Ellyn Civic Center, Room 301

A. Call to Order

Attendee Name	Title	Status
John Adduci	Board Member	Present
Anthony Terranova	Board Member	Present
Bill Housey	Board Member	Present
Jim Monson	Board Member	Present
Jim Mullany	Board Member	Present

Also Present: Finance Commission Chair Erik Ford, Finance Director Christina Coyle, Recording Secretary Karen Blake

The April 11, 2016 special meeting of the Glen Ellyn Police Pension Board was called to order by President Adduci at 7:33 PM in Room 301 of the Glen Ellyn Civic Center. A quorum was present.

B. Public Comment (Non Agenda Items)

None.

C. Evaluation and Discussion of Investment Proposals

1. Evaluation of Investment Proposals

President Adduci stated that the purpose of this meeting is to discuss the proposals received in response to the RFP issued for consulting services. The goals will be reviewed, as will the criteria for reducing the responses down from the eight received for ease of additional consideration.

Director Coyle said that a Request for Proposal ("RFP) was sent for consulting services. Of the proposals received, three were from investment managers: MB Financial, LaSalle Street and Sawyer-Falduto. They would invest the funds, but not provide consultant services.

Board Member Housey asked for clarification that the decision at this point to be made is for a consultant as opposed to an investment manager. The consensus was to continue the route of hiring an independent consultant. This would add an additional layer of fees to those of the investment manager and fund manager. It was pointed out that part of the responsibility of the consultant is to analyze all the fees being charged, and that the consultant's own fee would be considered in the analysis.

President Adduci said that the three responses for investment manager will not be considered as they are not responsive to the request. That will leave five responses to consider.

There was discussion concerning the consultant's tasks. The consultant would pick the investment manager. The Board will consider those investment recommendations made by the investment manager and choose to agree or disagree. The consultant will pick the area of investment and the investment manager will recommend the specific asset. There will be more checks and balances than in place now in that the consultant will also be reviewed the recommendations of the investment manager. Director Coyle gave an example of the consultant recommending a bond manager, and the consultant will be reviewing the portfolio manager's performance. This Board will not be picking individual investments.

The consensus among the Board Members was to narrow the five candidates to three, bring in representatives from those three for presentations and discussion. The decision would be to hire one of the three or stay with the current arrangement. Director Coyle said that there has been over a month for prospective candidates to submit proposals. Some firms do not handle police and fire.

Those attributes mentioned by Board Members for evaluation criteria included experience with police pensions, experience in general and the person who would be the lead consultant. A smaller firm may give more personal attention. It was noted that two are from out of state. There is a wide range of fees offered by the candidates. Mr. Ford noted that fees will increase regardless of the decision made by this Board. After additional consideration, a consensus was reached as to the top three candidates: Bogdahn Group, Marquette Associates and Strategic Capital Investment Advisors.

Having picked the three candidates, the Board Members deliberated on the next steps. Mr. Ford counseled to take their time as this is a decision that may not be made again for several years. President Adduci suggested that criteria for evaluation be developed if the meetings with the three candidates are spread out over several weeks. References need to be checked as well as conversations held with representative clients of each. In the live interviews, the view of each of current market conditions should be requested. They also should be asked about rate of return assumptions, and the range of target assumptions for those Police and Fire Pensions they have as clients. Director Coyle and Board Member Terranova will exchange thoughts on what to ask references and municipal clients.

With regard to fees, Board Member Terranova said that from a straight cost perspective, the most expensive is Marquette, followed by Bogdahn and Strategic.

The next step will be to contact each of the three companies, and let the other five go with a letter. There will be three meetings and one company will present at each meeting. The dates are Tuesday April 26, Tuesday May 31 and Tuesday June 21, all at 7:00 PM.

RESULT:	**DISCUSSION ONLY**

D. Other Business

1. Next Regular Police Pension Meeting: Wednesday, April 20, 2016 at 7:30 PM in Room 301 of the Civic Center

E. Adjournment

1. Motion to Adjourn

Board Member Mullany moved to adjourn the meeting. Board Member Housey seconded the motion, which was carried unanimously. The April 11, 2016 special meeting was adjourned at 8:30 PM.

RESULT:	**APPROVED [UNANIMOUS]**
MOVER:	Jim Mullany, Board Member
SECONDER:	Bill Housey, Board Member
AYES:	Adduci, Terranova, Housey, Monson, Mullany

Police Pension Fund
535 Duane Street
Glen Ellyn, IL 60137

Meeting: 04/20/16 07:30 PM
Department: Police Pension Fund
Department Head: Christina Coyle
Category: Report
Prepared By: Christina Coyle

SCHEDULED

AGENDA ITEM (ID # 2203) DOC ID: 2203

First Quarter Investment Report

Please see the attached report from The Jay Company.

ATTACHMENTS:

- GEPPF 1Q-16 Inv Mngr Report (PDF)

JAY COMPANY
337 Merton Avenue
Glen Ellyn, Illinois 60137

Portfolio Management & Equity Research Services

Merrill F. Rajeck, CFA
rajeck@att.net
(630) 469-5771

GLEN ELLYN POLICE PENSION FUND

Investment Management Review

Meeting - April 20, 2016

Portfolio Guidelines	Equity funds up to 40% of total assets. Corporate fixed income funds up to 15% of total assets. Ten year ladder of CD's, U.S. Treasury or GSE fixed income notes. Liquidity reserves in IPTIP or Fidelity Government Cash Portfolio.
Investment Performance.	Portfolio performance compared to selected benchmarks.
Portfolio Operations.	Asset valuation, allocation, and transactions. Composition of equity and fixed income portfolios. Cash flow projections and funding level.
Investment Outlook	The economy, stock, bond and money markets.
Investment Plan.	Likely investment activity.

Glen Ellyn Police Pension Fund - Investment Performance

Periods Ended 3/31/16	3 Months	12 Months	3 Years	5 Years	10 Years
Total Fund:					
Beginning Balance.	$ 25,797,118	$ 26,049,356	$ 23,784,610	$ 21,487,600	$ 17,847,655
Contributions	82,472	1,500,168	4,166,601	6,791,857	12,062,382
Withdrawals	(468,087)	(1,874,396)	(5,329,290)	(8,298,737)	(15,057,513)
Adjusted Investment Base	$ 25,411,523	$ 25,675,128	$ 22,621,922	$ 19,980,719	$ 14,872,524
Market Value 3/31/16	$ 25,596,235	$ 25,596,235	$ 25,596,235	$ 25,596,235	$ 25,596,235
Earnings	**$ 184,712**	**$ (78,893)**	**$ 2,974,313**	**$ 5,615,516**	**$ 10,723,711**
Total Fund Investment Return	0.70	(1.45)	4.01 a	4.78 a	5.07 a
Less: Management Fees	(0.04)	(0.15)	(0.15) a	(0.15) a	(0.15) a
Net Total Fund Investment Return	**0.66**	**(1.60)**	**3.86 a**	**4.63 a**	**4.92 a**
Segment Rates of Return:	***3 Months***	***12 Months***	***3 Years***	***5 Years***	***10Years***
GEPPF Treasury, GSE, CD's 41.7%	1.27	1.58	1.48 a	4.10 a	4.76 a
Barclays US Treasury Bond - Benchmark	3.38	2.45	2.33 a	3.74 a	4.72 a
GEPPF Corporate Fixed Income 14.5%	2.91	(4.38)	(0.90) a	3.73	n.a.
GEPPF Domestic Stocks 41.8%	(0.53)	(4.16)	9.67 a	9.04 a	7.30 a
Russell 3000 Index - Benchmark	*0.97*	*(0.34)*	*11.15 a*	*11.01 a*	*6.90 a*
GEPPF Foreign Stocks 0.0%	n.a.	n.a.	n.a. a	n.a. a	n.a.
MSCI ACWI Index ex U.S. - Benchmark	*(2.68)*	*(10.80)*	*(0.93) a*	*(1.19) a*	*(0.93) a*

a. Total Return (income plus market value change adjusted for capital additions and withdrawals) is expressed as percentage net change for periods of one year or less and as a compound annual rate for time periods longer than one year.

Glen Ellyn Police Pension Fund — Portfolio Operations and Performance — Quarter Ended 3/31/18

INVESTMENTS OWNED				MARKET VALUE		TRANSACTIONS		TICKER		MARKET VALUE			PERFORMANCE FACTORS		PERFORMANCE
Amount	Investment Description			12/31/18	% of Total	Sales or Funds In	Buys or Funds Out		Amount	Price	03/31/18	% of Total	Market Values	Income Received	Net $ Gain (Loss)
12,000	Extended Market ETF Vanguard			1,006,680.00	3.9			VXF	12,000	82.80	993,600.00	3.9	(12,000.00)	3,672.00	(8,328.00)
10,000	Mid-Cap Growth ETF Russell			918,200.00	3.6			IWP	10,000	93.16	931,600.00	3.6	2,400.00	2,934.60	5,334.60
14,000	Mid-Cap Growth ETF Vanguard			1,395,940.00	5.4			VOT	14,000	102.36	1,433,040.00	5.6	7,700.00	2,282.00	9,982.00
5,962	Mid Cap Index Fund Vanguard			885,582.58	3.4			VIMAX	5,962	150.10	894,836.20	3.5	8,254.00	2,987.58	10,247.46
9,000	SmallCap Growth ETF Vanguard			1,593,360.00	6.2			VBK	9,000	119.00	1,071,000.00	4.2	(21,600.00)	1,350.00	(20,610.00)
16,000	Total Stock Mkt Index Fd Vgd			1,868,800.00	6.6			VTI	16,000	104.82	1,677,120.00	6.6	8,320.00	1,680.00	10,000.00
80,962	Total - Equity Index ETFs			8,672,362.58	33.6	-	-		86,962		8,984,797.20	27.2	(7,305.40)	20,006.18	12,720.78
	Sector ETFs														
10,000	Consumer Descretionary SPDR			781,800.00	3.0			XLY	10,000	79.18	791,800.00	3.1	5,392.00	3,915.50	13,862.50
7,000	Financial Services SPDR			629,862.80	2.4			IYG	7,000	81.14	567,980.00	2.2	(61,882.80)	2,458.64	(59,424.16)
11,000	Health Care SPDR			792,320.00	3.1			XLV	11,000	80.52	731,880.00	2.9	(60,440.00)	3,091.70	(57,348.30)
5,000	Health Care Providers iShares			746,150.00	2.9			IHF	5,000	124.25	745,500.00	2.9	(520.00)	334.06	(185.94)
20,000	Technology SPDR			886,600.00	3.4			XLK	20,000	44.35	887,200.00	3.5	80,600.00	4,404.60	85,004.60
54,000	Total - Sector ETFs			3,836,930.80	14.8	-	-		54,000		3,723,640.00	14.5	182,800.80	13,241.42	(69,845.58)
	Securities Sold														
120,582	Total U.S. Stock Funds			10,776,635.60	41.8	-	-		120,582		10,686,437.20	41.8	(50,146.20)	33,017.60	(57,128.60)
-	Total Foreign Stock Funds			-	-				-		-	-	-	-	-
55,620	PIMCO Corporate Opp Fund			741,704.58	2.9			PTY	56,620	13.65	767,823.00	3.0	16,124.00	21,634.00	37,808.00
57,500	PIMCO Corporate & Income Strategy Fund			770,500.00	3.0			PCN	57,500	13.75	790,625.00	3.1	20,125.00	20,432.00	40,557.00
33,620	PIMCO Income Opp Fund			703,195.80	2.7			PKO	33,620	20.75	697,765.00	2.7	(14,070.00)	19,095.50	5,025.50
75,000	PIMCO Income Strategy Fund			750,344.00	2.9			PFL	76,000	9.55	727,750.00	2.8	(13,500.00)	18,498.25	4,998.25
84,300	PIMCO Income Strategy Fund II			739,311.00	2.9			PFN	84,300	8.75	737,625.00	2.9	(1,686.00)	20,232.00	18,546.00
306,505	Total Corp Fixed Income Funds			3,697,054.02	14.3	-	-		306,920		3,703,920.00	14.4	6,886.00	100,021.75	107,714.25
	Total Corporate Investments			14,476,637.48	56.1	-	-				14,382,376.28	56.2	(63,261.22)	133,041.35	50,585.65
Par Value		Coupon	Maturity					Totals							
425,000	TVA STRIPS	0.000	05/01/19	424,236.70	1.6				425,000	100.00	424,990.25	1.7	753.55	-	753.55
775,000	FNMA STRIPS	0.000	05/15/19	772,670.50	3.0				775,000	99.95	774,031.65	3.0	1,361.15	-	1,361.15
365,000	FHLB STRIPS	0.000	07/15/19	348,466.60	1.4				365,000	95.89	349,630.75	1.4	1,164.15	-	1,164.15
250,000	Brookline Bank CD	0.700	12/31/19	245,294.50	1.0			1,800,000	250,000	99.86	249,671.75	1.0	377.75	436.31	1,014.06
250,000	Capital One Bank CD	0.800	01/03/17	249,302.50	1.0				250,000	100.39	250,973.75	1.0	624.25	1,036.22	1,660.47
250,000	TCF National Bank CD	0.700	01/03/17	248,578.50	1.0				250,000	100.07	250,181.75	1.0	803.75	683.19	1,487.04
250,000	Bank of North Carolina CD	0.850	05/02/17	249,427.75	1.0				250,000	100.11	250,274.75	1.0	844.50	628.80	1,373.00
500,000	FHLMC 0123/17 Call 0125/16	0.850	06/23/17	498,315.50	1.9				500,000	100.05	500,131.50	2.0	1,816.00	-	
250,000	Campus Bank CD	1.350	07/03/17	249,384.25	1.0				250,000	100.28	250,565.50	1.0	1,181.25	1,638.36	2,819.61
400,000	FHLMC STRIPS	0.000	09/15/17	391,460.40	1.5				400,000	98.66	394,634.40	1.5	3,144.00	-	3,144.00
500,000	FHLB Call 5/13/16 1x	0.000	11/13/17	500,000.00	1.9				500,000	100.04	500,218.00	2.0	190.00	-	190.00
850,000	TVA STRIPS	0.000	12/14/17	835,931.55	3.2			3,250,000	850,000	98.20	843,585.97	3.3	7,594.41	-	7,594.41
250,000	American Express Centur CD	1.600	08/28/18	247,585.50	1.0				250,000	100.20	250,505.75	1.0	2,319.75		2,319.75
250,000	Discover Bank CD	1.550	08/28/18	247,585.75	1.0				250,000	100.25	250,625.75	1.0	2,032.00	-	2,032.00
250,000	Goldman Sachs Bank CD	1.650	08/28/18	247,256.25	1.0				250,000	100.09	250,223.25	1.0	2,947.00	-	2,947.00
250,000	BMW Bank North America CD	1.500	08/28/18	248,110.50	1.0				250,000	100.40	250,936.25	1.0	2,825.75	-	2,825.75
500,000	FNMA STRIPS	0.000	07/15/18	470,651.00	1.8				500,000	97.23	486,132.00	1.9	6,481.00	-	6,481.00
250,000	Everbank Jacksonville FL CD	1.350	07/30/18	248,636.00	1.0				250,000	100.63	251,595.00	1.0	3,076.00	1,701.37	4,777.37
400,000	FHLMC STRIPS	0.000	03/15/18	382,326.00	1.5				400,000	97.14	388,696.80	1.5	6,238.80	-	6,238.80
400,000	FNMA STRIPS	0.000	11/15/18	379,503.60	1.5			2,500,000	400,000	98.64	394,554.00	1.5	6,070.40	-	6,070.40
800,000	TVA STRIPS	0.000	01/15/19	767,681.20	2.9				800,000	96.59	772,712.80	3.0	15,681.60		15,681.60
500,000	FNMA STRIPS	0.000	07/15/19	465,561.50	1.8			1,300,000	500,000	95.36	476,798.50	1.9	10,837.00	-	10,837.00
500,000	FNMA STRIPS	0.000	08/15/20	465,291.50	1.8				500,000	94.75	463,373.00	1.8	12,763.50	-	12,763.50
1,020,000	TVA STRIPS	0.000	07/15/20	910,480.00	3.5			1,650,000	1,020,000	92.76	927,843.00	3.6	17,223.00	-	17,223.00
525,000	FNMA STRIPS	0.000	11/15/21	450,032.78	1.8			525,000	525,000	90.80	476,701.05	1.9	17,263.27	-	17,263.27
10,934,000	Total GSE & U.S. Treasury Bonds			10,540,763.44	40.9	-	-	10,934,000	10,934,000		10,679,468.95	41.7	197,360.51	5,196.25	182,040.76
	Income Received					140,275.44								142,044.19	
	Contributions - Payments					457,471.88	343,056.67								
	Cash Balance - MMF II			726,097.64	2.8	140,275.44	370,456.44	FIDXX			496,017.64	1.9			
	Cash Balance - PTIP			46,616.48	0.2	457,508.77	483,741.93				31,417.02	0.1			
	Total Cash Balance			772,714.12	3.0						527,434.66	2.1		919.93	369.23
	Total Fund			25,790,115.02	100.0						25,598,334.87	100.0	44,293.31	140,513.35	184,711.64

GLEN ELLYN POLICE PENSION FUND

ESTIMATED CASH FLOW

Month	Investments Maturities	Income	Contributions Village	Members	Payments	Cash Balance
Beginning Cash Balance (3/31/16)						527,435
April		28,218		27,600	(156,200)	427,053
May	1,200,000	29,280		27,600	(156,200)	1,527,733
June		77,866	646,000	27,600	(156,200)	2,122,999
July	350,000	33,405		27,600	(156,200)	2,377,804
August		28,218		27,600	(156,200)	2,277,422
September		67,991	646,000	27,600	(156,200)	2,862,813
October		28,218		27,600	(156,200)	2,762,431
November		29,280		27,600	(156,200)	2,663,111
December	250,000	77,866		27,600	(156,200)	2,862,377
January 2017	500,000	33,260		27,600	(156,200)	3,267,037
February		28,072		27,600	(156,200)	3,166,509
March	250,000	67,845		27,600	(156,200)	3,355,754
Calculated Ending Cash Balance						3,355,754
Totals	2,550,000	529,519	1,292,000	331,200	(1,874,400)	
12 Month Net Cash Flow						**2,828,319**

FUNDING LEVEL

As of	Actuarial Asset Value	Actuarial Accr. Liab.	Underfunding	% Funded
4/30/1984	3,025,703	4,622,336	(1,596,633)	65.5
4/30/1985	3,495,241	5,107,312	(1,612,071)	68.4
4/30/1986	4,106,442	5,098,179	(991,737)	80.5
4/30/1987	4,681,382	5,801,900	(1,120,518)	80.7
4/30/1988	5,251,848	6,599,071	(1,347,223)	79.6
4/30/1989	5,844,535	6,947,764	(1,103,229)	84.1
4/30/1990	6,703,394	6,155,586	547,808	108.9
4/30/1991	7,383,701	6,840,286	543,415	107.9
4/30/1992	8,063,337	7,465,889	597,448	108.0
4/30/1993	8,785,422	9,074,730	(289,308)	96.8
4/30/1994	9,577,897	10,045,936	(468,039)	95.3
4/30/1995	10,332,366	11,183,153	(850,787)	92.4
4/30/1996	11,051,130	11,821,328	(770,198)	93.5
4/30/1997	12,006,822	13,196,801	(1,189,979)	91.0
4/30/1998	12,969,868	13,797,332	(827,464)	94.0
4/30/1999	13,664,310	15,460,776	(1,796,466)	88.4
4/30/2000	14,462,028	17,815,050	(3,353,022)	81.2
4/30/2002	15,765,560	20,091,490	(4,325,930)	78.5
4/30/2003	16,481,075	21,795,895	(5,314,820)	75.6
4/30/2004	17,255,623	24,011,299	(6,755,676)	71.9
4/30/2005	17,836,028	24,962,567	(7,124,539)	71.5
4/30/2006	18,522,360	26,253,816	(7,731,456)	70.6
4/30/2007	19,321,673	27,717,490	(8,395,817)	69.7
4/30/2008	20,120,941	28,272,585	(8,151,644)	71.2
4/30/2009	20,311,215	30,060,797	(9,749,582)	67.6
4/30/2010	20,792,849	31,519,264	(10,726,415)	66.0
4/30/2011	21,736,074	33,797,372	(12,061,298)	64.3
4/30/2012	22,568,213	35,432,508	(12,864,295)	63.7
4/30/2013	24,311,184	35,367,041	(11,055,857)	68.7
4/30/2014	25,434,676	39,300,611	(13,865,935)	64.7
1/1/2015	26,419,860	40,768,986	(14,349,126)	64.8

JAY COMPANY - Investment Management Services

GLEN ELLYN POLICE PENSION FUND | GSE-CD PORTFOLIO | March 3

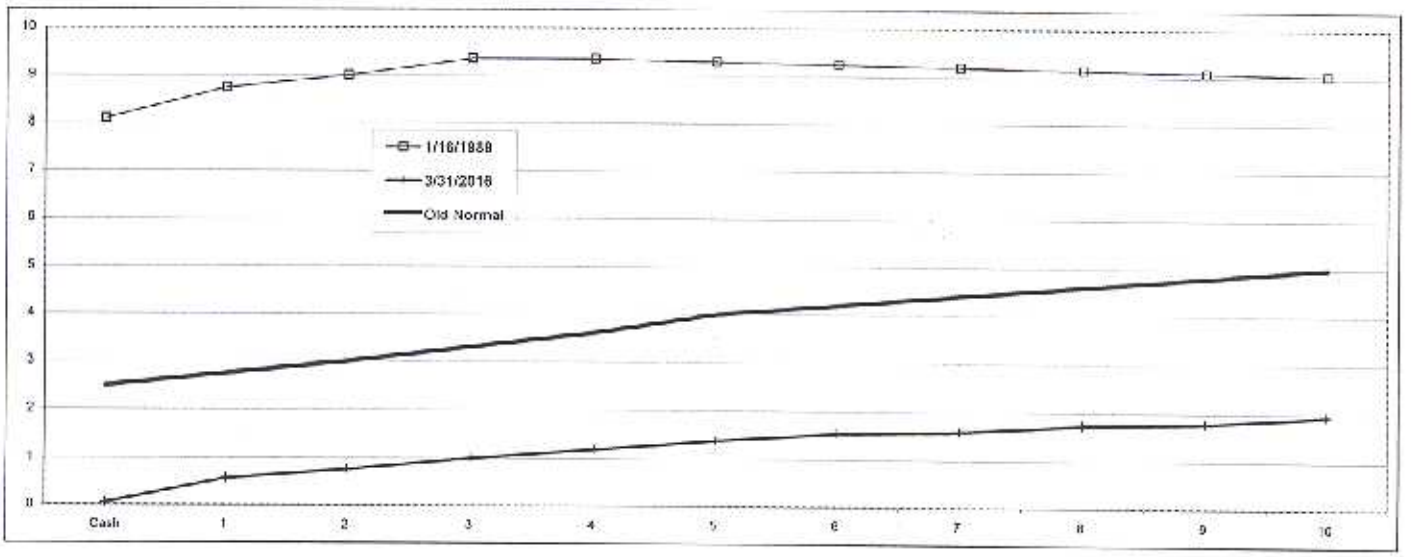
MATURITY VALUE

	COUPONS	ZEROS	TOTAL
CASH	527,435		527,435
2016	250,000	1,450,000	1,700,000
2017	2,000,000	1,250,000	3,250,000
2018	1,250,000	1,300,000	2,550,000
2019		1,300,000	1,300,000
2020		1,500,000	1,500,000
2021		525,000	525,000
2022			
2023			
2024			
2025			
TOTALS	4,027,435	7,334,000	11,361,435
	35.4%	64.6%	100.0%

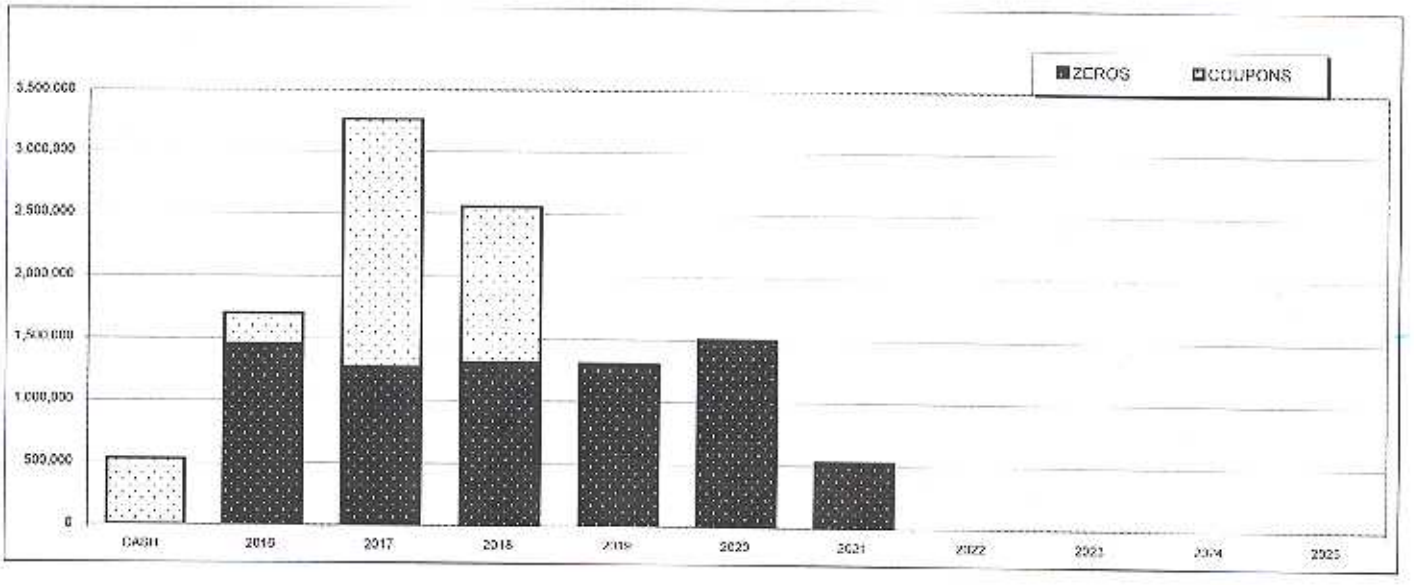
MARKET VALUE

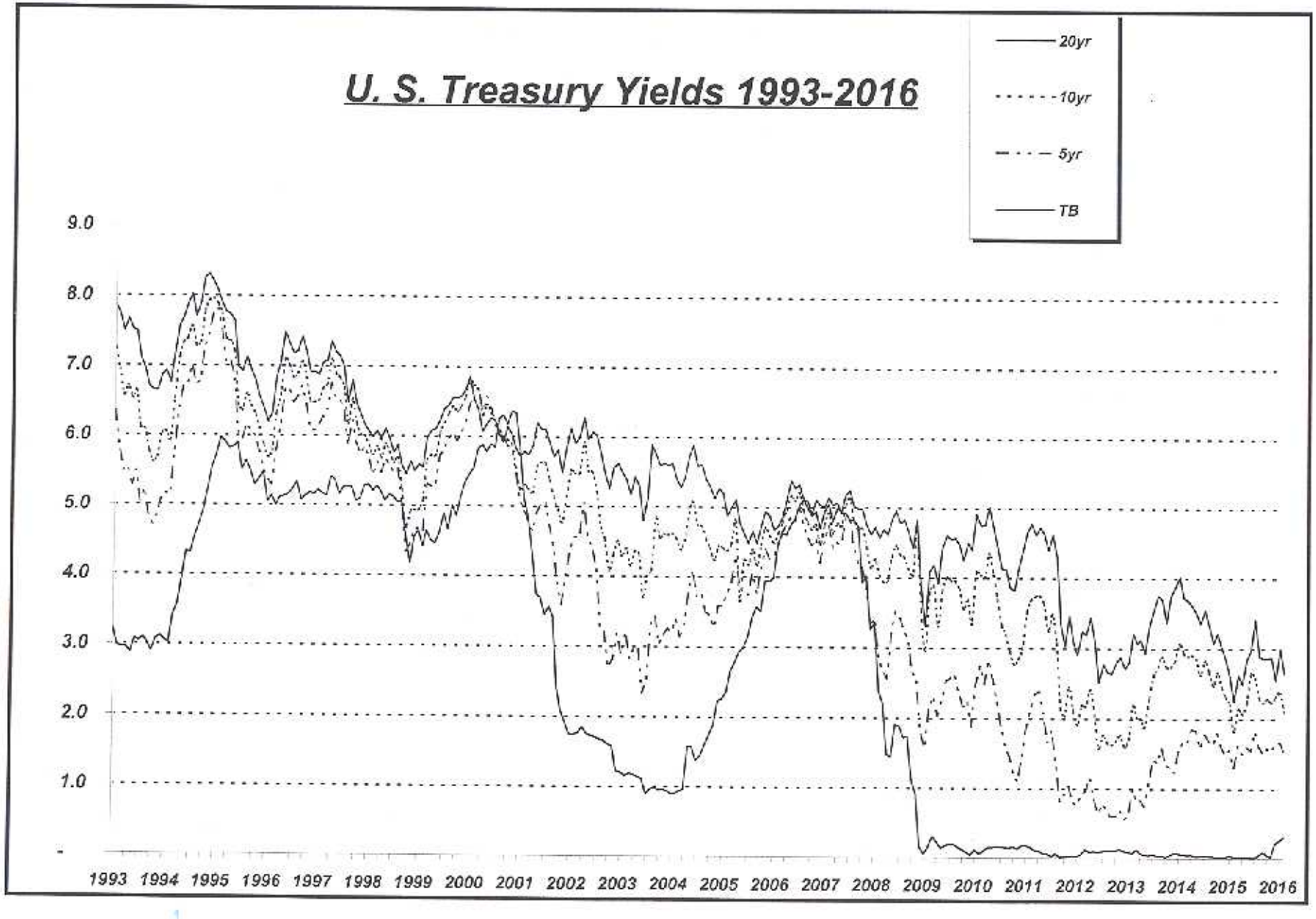
	COUPONS	ZEROS	TOTAL
	527,435		527,435
	249,572	1,449,464	1,699,035
	2,001,585	1,238,160	3,239,746
	1,253,804	1,261,252	2,515,055
		1,249,511	1,249,511
		1,396,317	1,396,317
		475,701	475,701
	4,032,595	7,071,404	11,104,100
	36.3%	63.7%	100.0%

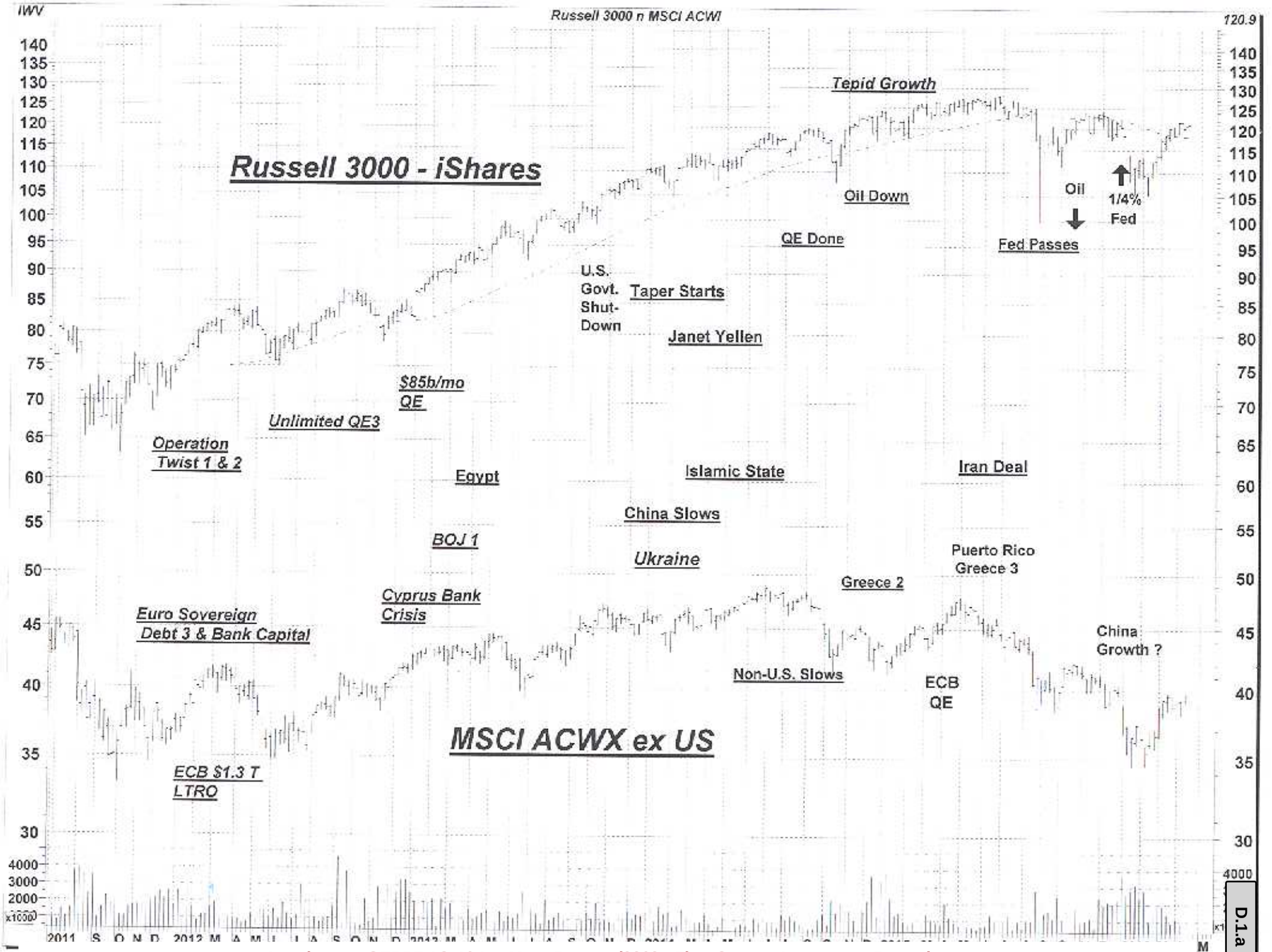
YIELD CURVE



MATURITY SCHEDULE

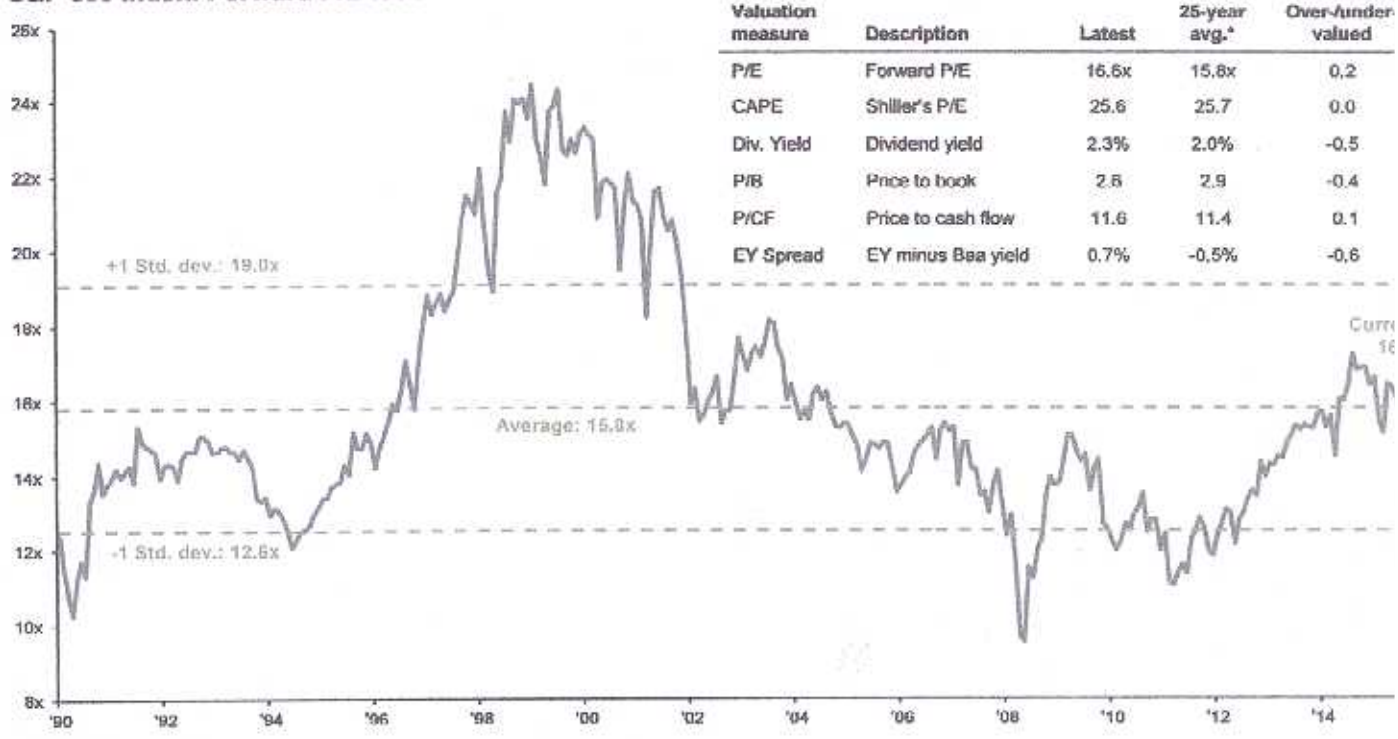



U. S. Treasury Yields 1993-2016
20yr
10yr
5yr
TB
9.0
8.0
7.0
6.0
5.0
4.0
3.0
2.0
1.0
-
1993 1994 1995 1996 1997 1998 1999 2000 2001 2002 2003 2004 2005 2006 2007 2008 2009 2010 2011 2012 2013 2014 2015 2016


IWV
Russell 3000 n MSCI ACWI
120.9
Russell 3000 - iShares
Tepid Growth
Oil Down
Oil
1/4% Fed
Fed Passes
QE Done
U.S. Govt. Shut-Down
Taper Starts
Janet Yellen
$85b/mo QE
Unlimited QE3
Operation Twist 1 & 2
Egypt
Islamic State
Iran Deal
China Slows
BOJ 1
Ukraine
Puerto Rico
Greece 3
Greece 2
Cyprus Bank Crisis
Euro Sovereign Debt 3 & Bank Capital
China Growth ?
Non-U.S. Slows
ECB QE
MSCI ACWX ex US
ECB $1.3 T LTRO
2011 S O N D 2012 M A M J J A S O N D 2013 M A M J J A S O N D 2014 M J J A S O N D 2015 M
M

Equities

S&P 500 Index: Forward P/E ratio

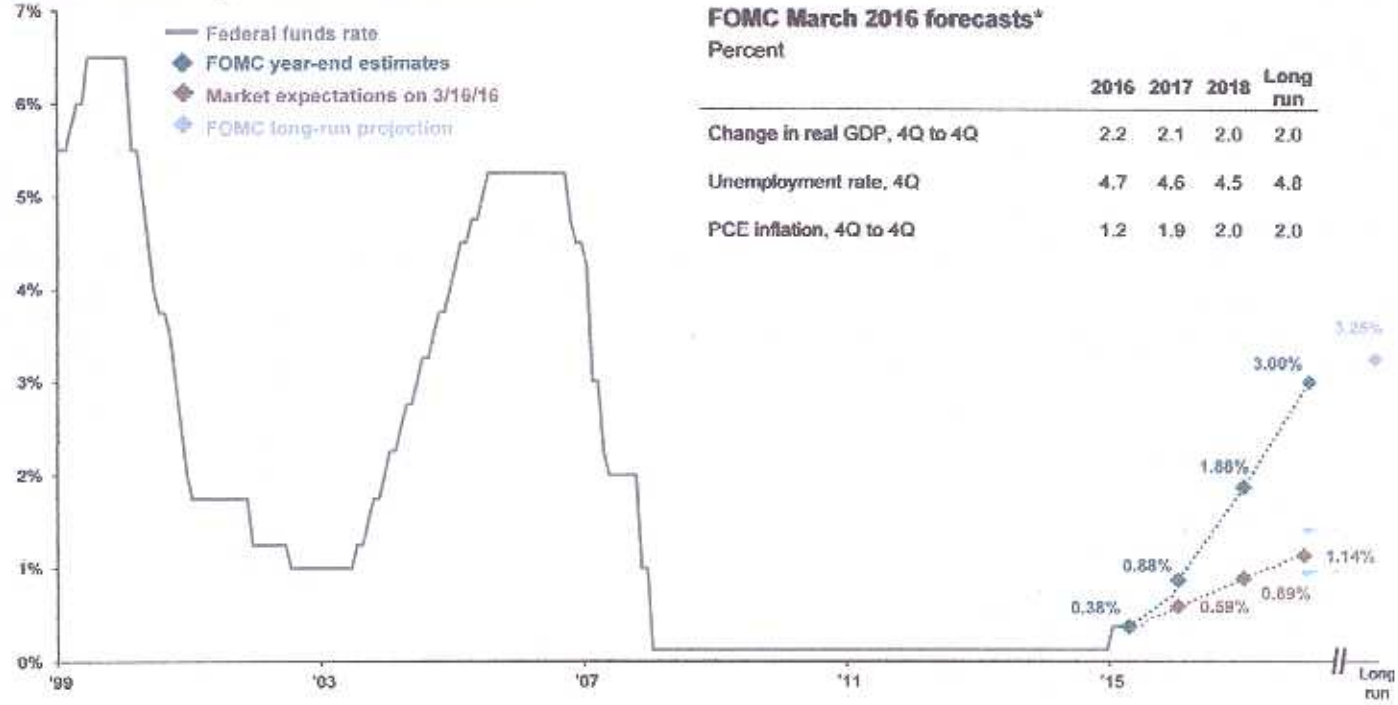


Valuation measure	Description	Latest	25-year avg.*	Std. dev. Over-/under-valued
P/E	Forward P/E	16.6x	15.8x	0.2
CAPE	Shiller's P/E	25.6	25.7	0.0
Div. Yield	Dividend yield	2.3%	2.0%	-0.5
P/B	Price to book	2.6	2.9	-0.4
P/CF	Price to cash flow	11.6	11.4	0.1
EY Spread	EY minus Baa yield	0.7%	-0.5%	-0.6

Fixed income

Federal funds rate expectations

FOMC and market expectations for the Fed Funds rate



FOMC March 2016 forecasts*

Percent

	2016	2017	2018	Long run
Change in real GDP, 4Q to 4Q	2.2	2.1	2.0	2.0
Unemployment rate, 4Q	4.7	4.6	4.5	4.8
PCE inflation, 4Q to 4Q	1.2	1.9	2.0	2.0

Investment Description	Shares	Ticker Symbol	04/13/16 Price	Current Cost	Portfolio Mkt Value	% of Total	Large Cap	Mid Cap	Small Cap	Target Portfolio	% of Total
MULTI-SECTOR EQUITY FUNDS											
Multi-Cap - Total Stock Market ETF - Vanguard	16,000	VTI	105.49	1,047,332	1,687,840	6.6	6.6			1,600,000	6.2
Multi-cap - Extended Market Fund Vanguard	12,000	VXF	83.22	971,621	998,640	3.9	4.0			900,000	3.5
Multi-Cap - Russell 3000 - iShares		IWV	121.57								-
Multi-Cap-S&P 500 Index SPDR		SPY	206.95								-
Large Cap Growth -Russell 1000 - iShares		IWF	100.51								-
Large Cap Growth -Vanguard		VUG	107.29								-
Mid-Cap Growth Fund Russell iShares	10,000	IWP	92.00	519,896	920,000	3.6		3.6		850,000	3.3
Mid-Cap Growth Fund Vanguard	14,000	VOT	100.29	532,723	1,404,060	5.5		5.5		1,300,000	5.1
Mid-Cap Index Fund - Admiral shs. Vanguard	5,981.59	VIMAX	149.23	512,830	892,633	3.5		3.5		850,000	3.3
Small Cap Growth Fund Vanguard	9,000	VBK	119.43	401,955	1,074,870	4.2			4.2	1,100,000	4.3
Small Cap Value Fund Vanguard		VBR	102.16			-					-
Total Multi-sector Equity Funds				3,986,357	6,978,043	27.2	10.6	12.5	4.2	6,600,000	25.7
SECTOR EQUITY FUNDS											
Consumer Discretionary - SPDR	10,000	XLY	78.86	639,800	788,600	3.1	3.1			750,000	2.9
Consumer Staples - SPDR		XLP	52.94								-
Energy - SPDR		XLE	63.76								-
Financial - SPDR	7,000	IYG	82.31	594,370	576,170	2.2	2.2			600,000	2.3
Healthcare - SPDR	11,000	XLV	69.57	585,855	765,270	3.0	3.0			750,000	2.9
Healthcare Providers - iShares	6,000	IHF	122.59	743,159	735,540	2.9	2.9			750,000	2.9
Industrial - SPDR		XLI	55.61								-
Materials Vanguard		VAW	100.15								-
Real Estate Vanguard		VNQ	83.10								-
Telecommunication Services Vanguard		VOX	91.55								-
Technology SPDR	20,000	XLK	44.39	412,150	887,800	3.5	3.5			800,000	3.1
Transportation iShares		IYT	141.49								-
Utilities Vanguard		VPU	105.23								-
Total Sector Equity Funds				2,975,334	3,753,380	14.6	14.6			3,650,000	14.2
Foreign Regional Index Funds											
Emerging Markets Vanguard		VWO	35.36								
S&P Europe 350 Index Fund iShares		IEV	39.56								
Latin Am 40 iShares		ILF	26.22								
MSCI All Country Asia ex Japan iShares		AAXJ	55.38								
MSCI-ACWI Index Fund ex U.S. iShares		ACWX	40.18								
Foreign Country Index Funds											
MSCI Australia Index Fund iShares		EWA	19.40								
MSCI Canada Index Fund iShares		EWC	24.35								
MSCI Singapore Index Fund iShares		EWS	11.02								
MSCI Switzerland Index Fund iShares		EWL	30.26								
Total Foreign Regional & Country Index Funds				-	-	-	-			-	-
Total Equity Portfolio				6,961,691	10,731,423	41.8	60.3	30.0	10.0	10,250,000	39.9
Investment Policy %							65.0	25.0	10.0	10,263,420	40.0
Fixed Income Funds											
PIMCO Corp Opportunity Fund	56,600	PTY	13.59	903,945	755,604	2.9				750,000	2.9
PIMCO Corporate & Income Strategy Fund	57,500	PCN	14.04	943,769	807,013	3.1				750,000	2.9
PIMCO Income Opportunity Fund	33,600	PKO	20.70	924,790	693,450	2.7				750,000	2.9
PIMCO Income Strategy Fund	75,600	PFL	9.58	925,712	724,248	2.8				750,000	2.9
PIMCO Income Strategy Fund II	84,300	PFN	8.68	870,435	731,724	2.9				750,000	2.9
Total Fixed Income Funds				4,568,658	3,712,039	14.5				3,750,000	14.6
Total Corporate Investments	427,482			11,108,253	14,443,462	56.3				14,000,000	54.6
MB Financial Money Fund				490,018	490,018	1.9					-
IPTIP Money Fund				37,417	37,417	0.1					-
Total Money Market				527,435	527,435	2.1				1,408,549	5.5
Fixed Income Ladder				9,380,386	10,687,652	41.7				10,250,000	39.9
Total GEPP Portfolio				21,016,074	25,658,549	100.0				25,658,549	100.0

Police Pension Fund
535 Duane Street
Glen Ellyn, IL 60137

Meeting: 04/20/16 07:30 PM
Department: Police Pension Fund
Department Head: Christina Coyle
Category: Vouchers
Prepared By: Christina Coyle

SCHEDULED

AGENDA ITEM (ID # 2206) DOC ID: 2206

Approve the Expense Vouchers in the amount of $14,809.44 and Pension Expenditures in the amount of $451,775.73 for a total of $466,535.17

Please see the attached vouchers.

ATTACHMENTS:

- 2016, April Vouchers (PDF)

POLICE PENSION FUND
APPROVAL OF VOUCHERS
For the meeting in April 2016

Expenses	Check Date:	Paid amount	
James Mullany (IPPFA Conference Reimbursement)		$ 335.00	
IPPFA (Conference Terranova)		$ 415.00	
Jay Company (Investment management)		$ 9,889.00	
MB Financial (Custodial fees)		$ 4,355.44	
Tyler Technologies (check account number change)		$ 150.00	
		$ 14,809.44	
			$ 14,809.44

Pension Expenses	January	February	March	
Service Pensions	$ 126,733.96	$ 126,733.96	$ 126,733.96	
Duty Disability Pensions	$ 11,019.98	$ 11,019.98	$ 11,019.98	
Non-Duty Disability Pensions	$ -	$ -	$ -	
Surviving Spouse Pension	$ 13,031.51	$ 13,031.51	$ 12,450.89	
Total Payroll:	**$ 150,785.45**	**$ 150,785.45**	**$ 150,204.83**	
				$ 451,775.73
			Grand Total	**$ 466,585.17**

Glen Ellyn Police Pension Fund

Invoice Date	Invoice Number	Invoice Description	Net Invoice Amount
02/19/16	ER030316	IPPFA CONFERENCE 5/3-6/16	335.00

Vendor No	Vendor Name	Check No	Check Date	Check Amount
2726	JAMES MULLANY	006902	03/04/2016	$335.00

Glen Ellyn
POLICE PENSION FUND
535 Duane St.
Glen Ellyn, Illinois 60137

The ILLINOIS Funds
Money Market Fund
Payable Through
First National Bank of Central Illinois Affiliate
Farmers & Merchants bank, Carlinville, IL

2-173/710

Check Number 006902

Check Date	Check Amount
03/04/2016	335.00

VOID AFTER 180 DAYS

Pay To The Order Of **JAMES MULLANY**
1412 CHAPMAN CT.
GLENDALE HEIGHTS IL 60139

FILE COPY
NON - NEGOTIABLE

APPPF

Glen Ellyn
POLICE PENSION FUND
535 Duane St.
Glen Ellyn, Illinois 60137

FORWARDING SERVICE REQUESTED

006902

JAMES MULLANY
1412 CHAPMAN CT.
GLENDALE HEIGHTS IL 60139

Lori Thomas

From: Jim Mullany <mullany@wans.net>
Sent: Friday, February 19, 2016 10:42 AM
To: Lori Thomas
Subject: Check for Conference Registration

Lori,

Would you please cut a check for me for $335.00 for reimbursement for my registration fee for the IPPFA pension conference, May 3-6, 2016 in Peoria, Illinois. I will mail a copy of the conference registration to you. If you have any questions, write or give me a call at 630-668-5085. Thanks!

Jim Mullany

CODE	AMOUNT	APPROVAL	DATE
90000	335.00	LJ	3/4/16
520400			

2726

PP0316

Cash 900 110~~40~~ 155 new cash acct

E.1.a

2016 IPPFA Illinois Pension Conference

General Options

Name:
James Mullany

Company/Dept:
Glen Ellyn Police Pension Fund

Confirmation Number:
L2N82LW72QF (needed to modify your registration)

Event Title:
2016 IPPFA Illinois Pension Conference

Location:
Embassy Suites by Hilton East Peoria, Illinois

100 Conference Center Drive

East Peoria, Illinois 61611

USA

Phone:
309.694.0200

Date:
05/03/2016

Time:
8:30 AM

Current Registration Details

James Mullany

Agenda Items

Registration Item	Cost
IPPFA Member	$335.00

Sessions

Date and Time	Session	Cost
05/04/2016 8:00 AM	Delegates Meeting	
05/04/2016 5:15 PM	Delegates Meeting/Board of Directors Speeches (Tentative)	

Order Summaries

Order

Date	Type	Invoice #	Amt Ordered	Amt Paid	Amt Due
02/19/2016 10:11 AM CT	offline order	2016IL-201602-0251-0253	$335.00	$0.00	$335.00
Total:			**$335.00**	**$0.00**	**$335.00**

Payment Details

Glen Ellyn Police Pension Fund

Invoice Date	Invoice Number	Invoice Description	Net Invoice Amount
03/11/16	PWNS3HZG94L	CONFERENCE-TERRANOVA	415.00

Vendor No	Vendor Name	Check No	Check Date	Check Amount
450	IPPFA	006903	03/11/2016	$415.00

Glen Ellyn
POLICE PENSION FUND
535 Duane St.
Glen Ellyn, Illinois 60137

The !LLINOIS Funds
Money Market Fund
Payable Through
First National Bank of Central Illinois Affiliate
Farmers & Merchants bank, Carlinville, IL

2-173/710

Check Number 006903

Check Date	Check Amount
03/11/2016	415.00

VOID AFTER 180 DAYS

Pay To The Order Of
IPPFA
2587 MILLENNIUM DR
UNIT C
ELGIN IL 60124

FILE COPY
NON - NEGOTIABLE

APPPF

Glen Ellyn
POLICE PENSION FUND
535 Duane St.
Glen Ellyn, Illinois 60137

FORWARDING SERVICE REQUESTED

006903

IPPFA
2587 MILLENNIUM DR
UNIT C
ELGIN IL 60124

E.1.a

Welcome, Lori Thomas. You are currently logged in as an administrator.

2016 IPPFA Illinois Pension Conference

General Options

Name:
Tony Terranova

Company/Dept:
Village of Glen Ellyn/Police Dept

Confirmation Number:
PWNS3HZG94L (needed to modify your registration)

Event Title:
2016 IPPFA Illinois Pension Conference

Location:
Embassy Suites by Hilton East Peoria, Illinois

100 Conference Center Drive

East Peoria, Illinois 61611

USA

Phone:
309.694.0200

Date:
05/03/2016

Time:
8:30 AM

450-2

110155
900 ~~40140~~

Current Registration Details

Tony Terranova

Agenda Items

Registration Item	Cost
IPPFA Member	$415.00

Sessions

Date and Time	Session	Cost
05/04/2016 6:30 AM	Continental Breakfast (Hotel Guests)	
05/04/2016 8:00 AM	Delegates Meeting	
05/04/2016 5:15 PM	Delegates Meeting/Board of Directors Speeches (Tentative)	

Order Summaries

Order

Date	Type	Invoice #	Amt Ordered	Amt Paid	Amt Due
03/11/2016 11:52 AM CT	offline order	2016IL-201603-0388-0404	$415.00	$0.00	$415.00
Total:			**$415.00**	**$0.00**	**$415.00**

Payment Details

CODE	AMOUNT	APPROVAL	DATE
90000-520600	$415.00	LJ	3/11/16

Attachment: 2016, April Vouchers (2206 : Vouchers - April 2016)

Contact Us

If you are interested in contacting us, please fill out the form below and submit. Your message will be delivered to the appropriate person for response.

Our Mailing Address is:

Illinois Public Pension Fund Association
2587 Millennium Dr., Unit C
Elgin, IL 60124
Phone: 630-784-0406
Fax: 630-784-0416

Click here to view larger map

Name:
Address:
City:
State: Zip Code:
Email Address:
Phone Number:

I prefer to be contacted by: ☐ Phone ☐ Mail ☐ Email

Comments:

Contact Us | Reset

Glen Ellyn Police Pension Fund

Invoice Date	Invoice Number	Invoice Description	Net Invoice Amount
01/21/16	12116	INVESTMENT MGR Q/E 1/31/1	3,332.33
01/21/16	121116-1	INVESTMENT MGR Q/E 1/31/1	6,556.67

Vendor No	Vendor Name	Check No	Check Date	Check Amount
474	MERRILL F. RAJECK	006901	01/22/2016	$9,889.00

Glen Ellyn
POLICE PENSION FUND
535 Duane St.
Glen Ellyn, Illinois 60137

The ILLINOIS Funds
Money Market Fund
Payable Through
First National Bank of Central Illinois Affiliate
Farmers & Merchants bank, Carlinville, IL

2-173/710

Check Number 006901

Check Date	Check Amount
01/22/2016	9,889.00

VOID AFTER 180 DAYS

Pay To The Order Of
MERRILL F. RAJECK
DBA JAY COMPANY
337 MERTON AV
GLEN ELLYN IL 60137-5203

FILE COPY
NON - NEGOTIABLE

APPPF

Glen Ellyn
POLICE PENSION FUND
535 Duane St.
Glen Ellyn, Illinois 60137

FORWARDING SERVICE REQUESTED

006901

MERRILL F. RAJECK
DBA JAY COMPANY
337 MERTON AV
GLEN ELLYN IL 60137-5203

Jay Company
337 Merton Avenue
Glen Ellyn, Illinois 60137-5203

Investment Management

Merrill F. Rajeck, CFA
(630) 469-5771
rajeck@att.net

INVOICE

474

FY15
FY16

Jay Company's investment management fee for the period 10/31/15 to 1/31/16 is calculated as follows:

GLEN ELLYN POLICE PENSION FUND - INVESTMENT PORTFOLIO

Asset Value on October 31, 2015		$	26,369,984
Annual Fee Rate of 15/100 of 1%			0.0015
Annual Fee Basis	FY15 61 days @ 107.50 $ = 3332.33		39,555
Quarterly Proration	FY16 31 days @ 107.50 = 6556-67		0.25
Fee due on February 1, 2016	9889.00	**$**	**9,889**

CODE	AMOUNT	APPROVAL	DATE
90000-520800	$9,889.00	LJ	1/14/16

Asset Valuation:

Asset valuation used by Jay Company was determined by MB Financial Bank and IPTIP for the date above.

S.E.C. Form ADV 2A:

Jay Company will provide a copy of S.E.C. Form ADV 2A on request.

PP0116

Privacy Policy:

Jay Company respects the privacy of information about its clients and their account(s). As stated in our Investment Advisory Agreement: "All information and advice furnished by either party to the other hereunder, including their respective agents and employees, including their respective agents and employees, will be treated as confidential and will not be disclosed to third parties except as required by law."

900 - 110140
Cash

Account Name : Glen Ellyn Police

Account No : 66376580

Account Transactions

Date	Description			Income	Principal
	Starting Balances			$ 0.00	$ 0.00
	Dividends and Interest				
01/04/2016	Dividend				
	Pimco Income Strategy Fund ETF				6,804.00
01/04/2016	Dividend				
	Pimco Income Opportunity Fund ETF				6,365.00
01/04/2016	Interest				
	Capital One Bank CD .800% 01/03/17				1,008.22
01/04/2016	Daily Factor - Interest				
	Fidelity Govt Cash Portfolio Fnd 57				42.90
	Interest From 12/01/2015 To 12/31/2015				
01/04/2016	Dividend				
	Pimco Corp Income Fund Mfc				6,468.75
	57500 Shares Of @ $0.1125				
01/04/2016	Dividend				
	Pimco Corporate Opportunity Fund ETF				7,228.00
	55600 Shares Of @ $0.13				
01/05/2016	Dividend				
	Pimco Income Strategy Fd II				6,744.00
01/29/2016	Interest				
	TCF National Bank CD .700% 01/30/17				882.19
			Sub Total	**0.00**	**35,543.06**
	Payments				
01/13/2016	Market Fee				-4,355.44
	Market Value: 25,753,498.54				
	Fee Date: 12/31/2015				
	Frequency: Quarterly				
	Schedule : CUSTODY FEE B				
	0.1000 %	On The First	5,000,000.00	5,000.00	
	0.0750 %	On The Next	5,000,000.00	3,750.00	
	0.0500 %	On The Next	15,753,498.54	7,876.75	
		Total Fee		16,626.75	
		TOTAL FEE - Adjusted (Quarterly)		4,156.69	
		Base Fee - Adjusted (Quarterly)		198.75	
		Minimum Fee		250.00	

Glen Ellyn Police Pension Fund

Invoice Date	Invoice Number	Invoice Description	Net Invoice Amount
02/29/16	45-154223	POL PENSION AP CHECK DESI	150.00

Vendor No	Vendor Name	Check No	Check Date	Check Amount
1007	TYLER TECHNOLOGIES, INC.	006904	03/11/2016	$150.00

Glen Ellyn
POLICE PENSION FUND
535 Duane St.
Glen Ellyn, Illinois 60137

The ILLINOIS Funds
Money Market Fund
Payable Through
First National Bank of Central Illinois Affiliate
Farmers & Merchants bank, Carlinville, IL

2-173/710

Check Number 006904

Check Date	Check Amount
03/11/2016	150.00

VOID AFTER 180 DAYS

Pay To The Order Of
TYLER TECHNOLOGIES, INC.
P.O. BOX 203556
DALLAS TX 75320-3556

FILE COPY
NON - NEGOTIABLE

APPPF

Glen Ellyn
POLICE PENSION FUND
535 Duane St.
Glen Ellyn, Illinois 60137

FORWARDING SERVICE REQUESTED

006904

TYLER TECHNOLOGIES, INC.
P.O. BOX 203556
DALLAS TX 75320-3556

tyler technologies

Empowering people who serve the public®

Remittance:
Tyler Technologies, Inc.
(FEIN 75-2303920)
P.O. Box 203556
Dallas, TX 75320-3556

Invoice

Invoice No	Date	Pag
045-154223	02/29/2016	1 of

Questions:
Tyler Technologies - ERP & Schools
Phone: 1-800-772-2260 Press 2, then 1
Fax: 1-866-673-3274
Email: ar@tylertech.com

Bill To: VILLAGE OF GLEN ELLYN
ATTN: SUE BARBEAU
535 DUANE STREET
GLEN ELLYN, IL 60137

Ship To: VILLAGE OF GLEN ELLYN
ATTN: SUE BARBEAU
535 DUANE STREET
GLEN ELLYN, IL 60137

1007-2

Customer No.	Ord No	PO Number	Currency	Terms	Due Date
4703	75614	PO BINKERD020916-01	USD	NET30	03/30/2016

Date	Description	Units	Rate	Extended Pr
TYLER FORMS-		1	150.00	150
TYLER FORMS MINOR FORMS MODIFICATION (2 FORMS/SAME CHANGE)				

new
Cash acct
155
900 110440

CODE	AMOUNT	APPROVAL	DATE
90000-521055			
	$150.00		3/7/2016

Modify Police Pension AP Check design for new bank

Subtotal	150.00
Sales Tax	0.00
Invoice Total	150.00

Police Pension Fund
535 Duane Street
Glen Ellyn, IL 60137

Meeting: 04/20/16 07:30 PM
Department: Police Pension Fund
Department Head: Christina Coyle
Category: Purchase
Prepared By: Christina Coyle

SCHEDULED

AGENDA ITEM (ID # 2189) DOC ID: 2189

Renewal of Fiduciary Insurance Policy

Background

The Police Pension Board is required to have a fiduciary insurance policy. This policy must be renewed each year.

Issues

I obtained a quote from our current insurance company, Travelers Insurance, to continue coverage for another year. The quote received was $4,451.00, an increase of $107.00 or 2.5% from the prior year.

Action Requested

Please approve to proceed with renewal of the fiduciary insurance policy for the policy year 5/1/16-4/30/17.

ATTACHMENTS:

- Fiduciary Policy (PDF)

TRAVELERS
One Tower Square
Hartford, CT 06183

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 www.rmplusonline.com/ERISAHelpLine.

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

LTR-4025 Ed. 01-09 Printed in U.S.A.

TRAVELERS

April 13, 2016

VILLAGE OF GLEN ELLYN POLICE PENSION
535 DUANE STREET
GLEN ELLYN, IL 60137

Re: Important Information about **Claims Information Line**

Dear **VILLAGE OF GLEN ELLYN POLICE PENSION**

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,

Travis F Ingersol

TRAVELERS
One Tower Square
Hartford, CT 06183

04/13/2016

VILLAGE OF GLEN ELLYN POLICE PENSION
535 DUANE STREET
GLEN ELLYN, IL 60137

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

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.

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 www.rmplusonline.com.
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 www.rmplusonline.com. 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.

ILLINOIS RELIGIOUS FREEDOM PROTECTION AND CIVIL UNION ACT APPLICATION NOTICE

NO COVERAGE IS PROVIDED BY THIS NOTICE. THIS NOTICE DOES NOT AMEND ANY PROVISION OF ANY POLICY ISSUED TO YOU AS A RESULT OF THIS APPLICATION. YOU SHOULD CAREFULLY REVIEW ANY SUCH POLICY FOR COMPLETE INFORMATION ON THE COVERAGES PROVIDED AND TO DETERMINE YOUR RIGHTS AND DUTIES UNDER THE POLICY. PLEASE CONTACT YOUR AGENT OR BROKER IF YOU HAVE ANY QUESTIONS ABOUT THIS NOTICE OR ITS CONTENTS. IF THERE IS ANY CONFLICT BETWEEN ANY SUCH POLICY AND THIS NOTICE, THE PROVISIONS OF SUCH POLICY PREVAIL.

The Illinois Religious Freedom Protection and Civil Union Act provides that persons of the same or opposite sex who enter into a civil union must be afforded the same obligations, protections, and legal rights as married persons. This law became effective June 1, 2011, and is designed to ensure that civil unions and marriage are treated identically under Illinois law. In accordance with law, this policy will be interpreted to provide the same benefits and protections to persons in a civil union or in a marriage.

TRAVELERS

Wrap+®
for Governmental Plans
DESIGNATED BENEFIT PLAN FIDUCIARY LIABILITY COVERAGE DECLARATIONS

POLICY NO. 10608290

Travelers Casualty and Surety Company of America
Hartford, Connecticut
(A Stock Insurance Company, herein called the Company)

THIS LIABILITY COVERAGE IS WRITTEN ON A CLAIMS-MADE BASIS. THIS LIABILITY COVERAGE COVERS ONLY CLAIMS FIRST MADE AGAINST INSUREDS DURING THE POLICY PERIOD. THE LIMIT OF LIABILITY AVAILABLE TO PAY SETTLEMENTS OR JUDGMENTS WILL BE REDUCED BY DEFENSE EXPENSES, AND DEFENSE EXPENSES WILL BE APPLIED AGAINST THE RETENTION. THE COMPANY HAS NO DUTY TO DEFEND ANY CLAIM UNLESS DUTY-TO-DEFEND COVERAGE HAS BEEN SPECIFICALLY PROVIDED HEREIN.

ITEM 1	**BENEFIT PLAN:** VILLAGE OF GLEN ELLYN POLICE PENSION Principal Address: 535 DUANE STREET GLEN ELLYN, IL 60137
ITEM 2	**INSURANCE REPRESENTATIVE:** CHRISTINA COYLE D/B/A: Principal Address: 535 DUANE STREET GLEN ELLYN, IL 60137
ITEM 3	**POLICY PERIOD:** Inception Date: May 01, 2016 Expiration Date: May 01, 2017 12:01 A.M. standard time both dates at the Principal Address stated in ITEM 1.
ITEM 4	**ALL NOTICES OF CLAIM OR LOSS MUST BE SENT TO THE COMPANY BY EMAIL, FACSIMILE, OR MAIL AS SET FORTH BELOW:**

Email:BSIclaims@travelers.com
FAX:(888) 460-6622

Mail:Travelers Bond & Specialty Insurance Claim
385 Washington St. – Mail Code 9275-NB03F
St Paul, MN 55102

ITEM 5

Only those coverage features marked "☒ Applicable" are included in this **Policy**.

DESIGNATED BENEFIT PLAN FIDUCIARY LIABILITY COVERAGE

Limit of Liability:	$1,000,000	for all **Claims**
Settlement Program Limit of Liability	$100,000	for each **Settlement Program Notice**, which amount is included within, and not in addition to, any applicable limit of liability
HIPAA Limit of Liability	$25,000	which amount is included within and not in addition to, any applicable limit of liability
502(c) Penalties Limit of Liability	Not Covered	which amount is included within and not in addition to, any applicable limit of liability

Additional Defense Coverage:	☐ Applicable	☒ Not Applicable
Additional Defense Limit of Liability:	Not Covered	for all **Claims**
Retention:	$10,000	for each **Claim** under Insuring Agreement A
Prior and Pending Proceeding Date:	May 01, 2002	
Continuity Date:	May 01, 2002	

ITEM 6

PREMIUM FOR THE POLICY PERIOD:

$4,451.00	Policy Premium
N/A	Annual Installment Premium

ITEM 7

TYPE OF COVERAGE:

☐ Reimbursement

☒ Duty-to-Defend

Only the type of coverage marked "☒" is included in this **Policy**.

ITEM 8

EXTENDED REPORTING PERIOD:

Additional Premium Percentage:	100 %
Additional Months:	12

	(If exercised in accordance with section ***V. CONDITIONS***, **M. EXTENDED REPORTING PERIOD**, of the Designated Benefit Plan Fiduciary Liability Coverage)
ITEM 9	**RUN-OFF EXTENDED REPORTING PERIOD:** Additional Premium Percentage: Not Applicable Additional Months: Not Applicable (If exercised in accordance with section ***V. CONDITIONS***, **K. CHANGE OF CONTROL**, of the Designate Benefit Plan Fiduciary Liability Coverage)
ITEM 10	**ANNUAL REINSTATEMENT OF THE LIMIT OF LIABILITY:** ☐ Applicable ☒ Not Applicable Only those coverage features marked "☒ Applicable" are included in this **Policy**.
ITEM 11	**FORMS AND ENDORSEMENTS ATTACHED AT ISSUANCE:** AFE-19004-0115; AFE-19008-0115; DBP-16001-1112; DBP-19001-1112; DBP-19003-1112; DBP-19083-0315; DBP-17014-1112

THE DECLARATIONS, THE APPLICATION, THE DESIGNATED BENEFIT PLAN FIDUCIARY LIABILITY COVERAGE AND ANY ENDORSEMENTS ATTACHED THERETO, CONSTITUTE THE ENTIRE AGREEMENT BETWEEN THE COMPANY AND THE INSURED.

_____
Countersigned By

IN WITNESS WHEREOF, the Company has caused this **Policy** to be signed by its authorized officers.

Thomas M. Kunkel
President, Bond & Specialty Insurance

Wendy C. Shiba
Corporate Secretary

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

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: **106082905**

FEDERALTERRORISM 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.

TRAVELERS

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 **Poli**cy 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** o r 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 **Polic**y 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 CHRISTINA COYLE.

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: 106082905

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

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: 106082905

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

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: **106082905**

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ILLINOIS CHANGES ENDORSEMENT

This endorsement changes the following:

Designated Benefit Plan Fiduciary Liability Coverage

It is agreed that:

1. The following replaces section ***II. DEFINITIONS***, **J. *Defense Expenses***:

   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 the Company or to any employee of the **Insured** or the Company.

2. 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; 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**; 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**.

4. salaries, wages, benefits, or overhead of any employee of the Company.

3. The following replaces section ***II. DEFINITIONS***, **S. *Pollutant***:

S. ***Pollutant*** means any actual, alleged, or threatened exposure to, or generation, storage, transportation, discharge, emission, release, dispersal, escape, treatment, removal, or disposal of any smoke, vapor, soot, fumes, acids, alkalis, toxic chemicals, liquids or gasses, waste materials (including materials which are intended to be or have been recycled, reconditioned, or reclaimed) or other irritants, pollutants, or contaminants (collectively "Toxins"); or any regulation, order, direction, or request to test for, monitor, clean up, remove, contain, treat, detoxify, or neutralize any such Toxins, or any action taken in contemplation or anticipation of any such regulation, order, direction, or request.

Pollutant does not include any actual or alleged or threatened exposure to heat, smoke, or fumes from an uncontrollable fire or fire which breaks out from where it was intended to be.

4. The following replaces the third paragraph of section ***V. CONDITIONS***, **K. 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**. 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. Once purchased, the Run-Off Extended Reporting Period cannot be cancelled. However, the Company will retain the right to collect any remaining premium due from the **Policy Period** prior to the **Change of Control** after the Run-Off Extended Reporting Period has been purchased.

5. The following replaces section ***V. CONDITIONS***, **M. EXTENDED REPORTING PERIOD**:

M. EXTENDED REPORTING PERIOD

At any time prior to or within 30 days after the effective date of termination or cancellation of this **Policy** for any reason, 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. Once purchased, the Extended Reporting Period cannot be cancelled.

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 30 days of the effective date of the termination or cancellation. The minimum Extended Reporting Period is 12 months.

6. The following replaces section ***V. CONDITIONS***, **Q. SPOUSAL AND DOMESTIC PARTNER LIABILITY COVERAGE**:

Q. SPOUSAL, CIVIL UNION, 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, or a party to a civil union with, an **Insured Person**, but only if and so long as:

1. the **Claim** against such spouse, party to a civil union, 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 party to a civil union or Domestic Partner; and

2. such **Insured Person** and his or her spouse, party to a civil union, or Domestic Partner are represented by the same counsel in connection with such **Claim**.

No spouse, party to a civil union, 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 party to a civil union or Domestic Partner is joined.

The Company has no obligation to make any payment for **Loss** in connection with any **Claim** against a spouse, party to a civil union, 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, party to a civil union, or Domestic Partner.

7. 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 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 will 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. In the event the **Insurance Representative** on behalf of the **Insureds** 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, with an exact copy to the agent or broker of record, to that effect 60 days before the Expiration Date set forth in ITEM 3 of the Declarations. The Company will mail cancellation and nonrenewal notices to the last address known to the Company.

8. The following replaces section ***V. CONDITIONS***, **T. OTHER INSURANCE**:

This **Policy** will share proportionately 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.

9. The following replaces section ***V. CONDITIONS***, **X. REPRESENTATIONS**:

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, the Company will not be liable for **Loss** for any **Claim** based upon or arising out of the information that was not truthfully disclosed in the **Application**, but only with respect to the following **Insureds**:

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.

Police Pension Fund
535 Duane Street
Glen Ellyn, IL 60137

Meeting: 04/20/16 07:30 PM
Department: Police Pension Fund
Department Head: Christina Coyle
Category: Discussion Item
Prepared By: Christina Coyle

SCHEDULED

AGENDA ITEM (ID # 2207) DOC ID: 2207

Department of Insurance Updates

Please see attached the updates from the Department of Insurance.

ATTACHMENTS:

- Department of Insurance Updates (PDF)

Illinois Department of Insurance
Public Pension Division
The Siren

Toll Free 1-800-207-6958
Fax 217-524-5978

Bruce Rauner
Governor

Anne Melissa Dowling
Acting Director

TO : Illinois Public Pension Funds

FROM : Illinois Department of Insurance, Public Pension Division

DATE : April 15, 2016

RE : Pension Annual Statement System Upgrade

The Department of Insurance, Public Pension Division, has a number of announcements and updates for filings submitted on the Pension Annual Statement System (PASS). These updates are effective beginning with filings for Fiscal Year End 2016. These will affect all pension funds and retirement systems subject to Section 1A-109 of the Illinois Pension Code.

Please note the following:

- **Independent Certified Public Accountant (CPA) Audit Report is now required to be submitted to the Division on an annual basis.**
    - Beginning with FYE 2016 Annual Statement Filings, the Division is requiring that pension funds subject to Articles 3 and 4 of the Illinois Pension Code file their Independent CPA Audit Report with the Division within six (6) months of the close of the fiscal year.
    - The Independent CPA Audit can be submitted via the Document Submission Tool under “Independent Financial Reports,” via e-mail to DOI.Pension@Illinois.gov or via regular mail to the Division at the Illinois Department of Insurance, Public Pension Division, 320 West Washington, 4th Floor, Springfield, Illinois 62767.

- **New Security Administrator Authorization Forms**
    - The Division has updated the Security Administrator Authorization Form. Each Fund must complete and submit the updated Security Administrator Authorization Form.
    - The Security Administrator Authorization Form is available at: https://insurance.illinois.gov/Applications/Pension/Form.aspx
    - The updated form must be submitted to the Division by August 1, 2016. If the updated form is not received by August 1, 2016; the funds’ rights to

access PASS may be revoked until the updated form is received by the Division.
- The Division will accept the updated Security Administration Authorization forms via e-mail at DOI.Pension@illinois.gov, or via regular mail to the Division at the Illinois Department of Insurance, Public Pension Division, 320 West Washington, 4th Floor, Springfield, Illinois 62767.
- Funds that submit updated Security Administrator Authorization Forms electronically should retain the original in their files.

- **Electronic Submission of Annual Statement Filing Certification Form ("Signature Sheet")**

  - The Division will now accept signed Certification Forms (commonly referred to as "Signature Sheets") electronically. The Division will accept these forms via e-mail at DOI.Pension@illinois.gov, or via regular mail to the Division at the Illinois Department of Insurance, Public Pension Division, 320 West Washington, 4th Floor, Springfield, Illinois 62767.
  - Funds that submit Certification Forms ("Signature Sheets") electronically should retain the original in their files.

- **Document Submission Tool on PASS.**

  - The Division encourages all users to utilize the Document Submission Tool on PASS.
  - The Document Submission Tool can be accessed at the following link: https://insurance.illinois.gov/Applications/Pension/Filing/DocumentSubmission.aspx
  - The Division accepts the following documentation via the Document Submission Tool:
    - Investment Policies
    - Investment Advisors/Consultant Agreements
    - Investment Custodian Agreements
    - Pension Fund Rules and Regulations
    - Actuarial Valuation Reports
    - Independent Financial Reports

If you have any questions regarding this Siren, please contact the Public Pension Division at (800) 207-6958 or DOI.Pension@illinois.gov.