



ACE WESTCHESTER SPECIALTY
601 South Figueroa Street, 15Th Floor, Los Angeles, CA 90017
Tel (213) 833 -3100 Fax (213) 833-3275

DATE: February 17, 2016

TO: Stephan Prufer
Willis Global Aviation, Loa Angeles

FROM: Sheila Fujimoto

RISK ID: 27833

FAX: 213-607-6301

SUBJECT: **City of Flagstaff**

COMMENTS: We have pleasure in enclosing our Airport Owners and Operators quotation(s) in respect of the referenced Insured.

Commission to your office is as follows:

Nil

Thank you for the opportunity to provide you with this quotation.

Best Regards,

Sheila Fujimoto



**POLICYHOLDER DISCLOSURE
NOTICE OF TERRORISM
INSURANCE COVERAGE**

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

YOU SHOULD KNOW THAT WHERE COVERAGE IS PROVIDED BY THIS POLICY FOR LOSSES RESULTING FROM CERTIFIED ACTS OF TERRORISM, SUCH LOSSES MAY BE PARTIALLY REIMBURSED BY THE UNITED STATES GOVERNMENT UNDER A FORMULA ESTABLISHED BY FEDERAL LAW. HOWEVER, YOUR POLICY MAY CONTAIN OTHER EXCLUSIONS WHICH MIGHT AFFECT YOUR COVERAGE, SUCH AS AN EXCLUSION FOR NUCLEAR EVENTS. UNDER THE FORMULA, THE UNITED STATES GOVERNMENT GENERALLY REIMBURSES 85% THROUGH 2015; 84% BEGINNING ON JANUARY 1, 2016; 83% BEGINNING ON JANUARY 1, 2017; 82% BEGINNING ON JANUARY 1, 2018; 81% BEGINNING ON JANUARY 1, 2019 AND 80% BEGINNING ON JANUARY 1, 2020 OF COVERED TERRORISM LOSSES EXCEEDING THE STATUTORILY ESTABLISHED DEDUCTIBLE PAID BY THE INSURANCE COMPANY PROVIDING THE COVERAGE. THE PREMIUM CHARGED FOR THIS COVERAGE IS PROVIDED BELOW AND, DOES NOT INCLUDE ANY CHARGES FOR THE PORTION OF LOSS THAT MAY BE COVERED BY THE FEDERAL GOVERNMENT UNDER THE ACT.

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

Acceptance or Rejection of Terrorism Insurance Coverage

_____ I hereby elect to purchase terrorism coverage for a prospective premium of \$945

_____ I hereby decline to purchase terrorism coverage for certified acts of terrorism. I understand that I will have no coverage for losses resulting from certified acts of terrorism.

Policyholder/Applicant's Signature

ACE PROPERTY AND CASUALTY INSURANCE COMPANY
Insurance Company

Print Name

To be advised when policy purchased
Policy Number

Date

CHUBB
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AIRPORT OWNERS AND OPERATORS LIABILITY QUOTATION
With
ACE PROPERTY AND CASUALTY INSURANCE COMPANY
(AA- S&P, A+ XV Best)

In accordance with your request, we are pleased to provide the following quotation:

Please read this quotation carefully, as the limits, coverage and other terms and conditions may vary significantly from those requested in your submission and/or from the expiring policy. Terms and conditions that are not specifically mentioned in this quotation are not included. The terms and conditions of this quotation supersede the submitted insurance specifications and all prior quotations and binders. Actual coverage will be provided by and in accordance with the policy as issued.

The insurer is not bound by any statements made in the submission purporting to bind the insurer unless such statement is reflected in the policy or in an agreement signed by someone authorized to bind the insurer.

This quotation has been constructed in reliance on the data provided in the submission. A material change or misrepresentation of that data voids this quotation.

This quotation is not a binder of insurance. In no event will this quotation remain open beyond 30 days from the quote issuance date shown above or the coverage effective date, whichever comes first.

This quotation is subject to the Insured's producer being duly licensed in his/her resident state; in addition, the producer must hold a non-resident license in the state in which the Insured is domiciled if different from the producer's resident state.

***** **THREE YEAR FIXED PREMIUM POLICY OPTION** *****

We offer the option for a three year policy term with premium fixed at three times the annual terms shown in this quotation. Premium to be paid in three equal annual installments.

The U.S. Foreign Account Tax Compliance Act, commonly known as "FATCA", became the law in the U.S. in March of 2010 and becomes effective July 1, 2014. Pursuant to FATCA, brokers, producers, agents and/or clients may need to obtain withholding certificates, such as Forms W-8 or W-9, from insurance companies.

For information on how to obtain the applicable withholding certificate from ACE U.S. insurance companies, please go to <http://www.acegroup.com/us-en/assets/www.acegroup.com-w-9.pdf>.

NAMED
INSURED: City of Flagstaff

NAMED 211 W. Aspen Avenue
INSURED'S Flagstaff, Arizona 86001
ADDRESS:

PERIOD: From: July 1, 2016 To: July 1, 2017
 both days at 12.01a.m. Local Time at the address of the Named Insured.

INTEREST: The Insured's legal liability, to which this policy applies, arising out of the Insured's Airport operations at the following airport location(s):

FAA ID	State	Name
FLG	AZ	Flagstaff Pulliam Airport, Flagstaff, AZ

SUM INSURED: \$40,000,000 each occurrence/offense in respect of Bodily Injury, Personal and Advertising Injury and Property Damage combined, subject to the following limitations:

Products-Completed Operations Annual Aggregate Limit	\$40,000,000
Personal Injury and Advertising Injury Annual Aggregate limit	\$40,000,000
Malpractice Annual Aggregate Limit	\$40,000,000
Extended Coverage - War, Hi-jacking and Other Perils Annual Aggregate Limit.	\$40,000,000
Fire Damage Limit Any One Fire	\$500,000
Medical Expense Limit Any One Person	\$10,000
Hangarkeepers not "in flight" Limit Any One occurrence	\$40,000,000
Hangarkeepers not "in flight" Limit Any One Aircraft	\$40,000,000
Non-Owned Aircraft Liability.	\$40,000,000
Excess Automobile Liability (off premises)	
excess of \$1,000,000 any one accident/occurrence	\$25,000,000
Excess Employers Liability (excluding disease)	
excess of \$1,000,000 any one accident/occurrence	\$25,000,000

DEDUCTIBLE Nil each occurrence or offense, but not to exceed Nil annual aggregate.

CONDITIONS: The Airport Owners and Operators General Liability Policy contains, inter alia, the following exclusion clauses:

War, Hi-Jacking and Other Perils Exclusion Clause
 Noise, Pollution and Other Perils Exclusion Clause

The policy is also subject to the following:

90 days notice of cancellation, non-renewal or reduction in coverage by Insurer, but
 10 days notice for non-payment of premium. This provision does not override the Automatic Termination review or cancellation provisions of endorsements AAP 203 or AAP 237.

The policy may be cancelled or nonrenewed subject to the terms of the following endorsement
 AAP AZ (11/99) Arizona Changes - Cancellation and Nonrenewal

Schedule of Policy Forms applicable to airports and locations in: ARIZONA

Form Reference and Edition	Title
AAP 200 (07-10)	Airport Owners and Operators General Liability Policy - Jacket
AAP 201 (11-99)	Airport Owners and Operators General Liability Policy - Declarations
AAP 201S (11-99)	Airport Owners and Operators General Liability Policy - - Schedule of Endorsements
AAP 202 (11-99)	Airport Owners and Operators General Liability Policy - Policy Provisions
AAP 203 (02-08)	Extended Coverage - War, Hi-jacking and Other Perils Endorsement

AAP 204	(11-03)	Amendment of Noise and Pollution and Other Perils Exclusion
AAP 211	(03-09)	Extension-Specific Excess Automobile Liability Insurance
		U/L Limit \$1,000,000
		Occ Limit \$25,000,000
		Agg Limit \$25,000,000 Applies only if there is an aggregate limit in the underlying
AAP 220	(11/99)	Immunity Waiver Endorsement
AAP 227	(03-09)	Extension-Specific Excess Employers Liability Insurance
		U/L Limit \$1,000,000
		Occ Limit \$25,000,000
		Agg Limit \$25,000,000 Applies only if there is an aggregate limit in the underlying
AAP 228	(11/99)	Cancellation Notification Change
AAP 234	(11/99)	Airport Limited Enhanced Coverage Endorsement
AAP 237	(11/99)	Nuclear Risks Exclusion Clause
AAP 248	(11/99)	Volunteers Endorsement
AAP 256	(11/99)	Date Recognition Exclusion Endorsement
AAP 255	(03-08)	Date Recognition Limited Coverage Endorsement
AAP 270	(01-15)	Amendment to Include Coverage for Certified Acts of Terrorism; Cap on Losses from Certified Acts of Terrorism
AAP 273	(11-03)	Pollution Endorsement
AAP 275	(01-15)	Limited Terrorism Coverage Endorsement
AAP 277	(01-06)	Silica And Silica-Related Dust Exclusion
AAP 284	(05-11)	Mutual Aid Endorsement
		Contract with: All written contracts entered into by you.
		Contract Date:
ALL-21101	(11-06)	Trade or Economic Sanctions Endorsement
AAP 306	(03-08)	Infringement of Copyright, Patent, Trademark or Trade Secret Endorsement
AAP 307	(03-08)	Amendment to Supplementary Payments (Court Cost) Endorsement

ANNUAL
GL PREMIUM: **\$9,450**

ANNUAL TRIA
PREMIUM: **\$945**

ANNUAL WAR
PREMIUM: **\$945** Reducing to **\$236** if TRIA coverage also purchased

The War and TRIA coverages and premiums are quoted on an "if required" basis and may be rejected by the Insured

Please note that you do not have authority to bind the above insurance. Please contact us if you wish to bind this Insurance. We look forward to receiving your instructions and thank you for your inquiry

On behalf of ACE Property and Casualty Insurance Company



By _____

Sheila Fujimoto
Authorized Representative