Warehouse Employees Union Local No. 730
and Contributing Companies' Prepaid
Legal Services Fund

911 Ridgebrook Road
Sparks, Maryland 21152-9451
Telephone: (800) 730-2241
www.associated-admin.com

8400 Corporate Drive, Suite 430
Landover, Maryland 20785-2361
Telephone: (800) 730-2241
www.associated-admin.com

Agenda

March 26, 2021

9:00 AM

I. Call to Order

II. Minutes, Regular Meeting – December 10, 2020

III. Financial Report – Investment Performance Services

IV. Counsel Report

V. Administrative Manager Report

VI. Invoices

VII. Other Fund Business

VIII. Next Meeting Date and Location

IX. Adjournment

Warehouse Employees Union Local No. 730 and Contributing Companies' Prepaid Legal Services Fund

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DRAFT

MINUTES OF THE MEETING OF THE BOARD OF TRUSTEES OF THE WAREHOUSE EMPLOYEES UNION LOCAL NO. 730 & CONTRIBUTING COMPANIES' PREPAID LEGAL SERVICES FUND DECEMBER 10, 2020 VIA TELECONFERENCE

The following Trustees were present:

UNION TRUSTEES
R. Brooks – Chairman
J. Venable
T. Richardson – Alternate

EMPLOYER TRUSTEES
M. Bull – Secretary
J. Paradis
H. Sebhat
M. Goble – Alternate

Also present were:

K. Barshinger – Associated Administrators, LLC
A. Cochran – Associated Administrators, LLC
M. DeLancey – Blank Rome LLP
R. Sichel – Investment Performance Services, LLC

I. CALL TO ORDER

A quorum being present, the meeting was called to order.

II. MINUTES

The Trustees reviewed the minutes of the last regular meeting held September 1, 2020.

On MOTION made and seconded, the Trustees voted unanimous approval of the following resolution:

> **RESOLVED that the minutes of the last regular meeting held on September 1, 2020 are approved as presented.**

III. FINANCIAL REPORT

A. Custodian Bank – PNC Bank, NA

Ms. Cochran noted a copy of the PNC Summary of Activity report for the period January 1, 2020 through September 30, 2020 was distributed by email with the meeting materials.

B. Investment Performance Services, LLC ("IPS")

The Trustees welcomed Mr. Rich Sichel of IPS to the meeting.

Mr. Sichel reviewed his report titled, "Investment Performance Analysis – September 30, 2020" beginning with IPS' market commentary. Mr. Sichel noted the asset allocation as follows: 60.00% in Investment Grade Income, 35.20% in Short Duration High Yield Fixed Income, and 4.80% in cash and equivalents. The Atlanta Capital Bond Fund held $550,653 in investments, and the Chartwell Short Duration High Yield Fund held $323,251. The PNC Prime Money Market held $43,664.

C. Cyber Liability Amendment

Mr. Sichel said that IPS is proposing that the Fund amend its Investment Policy Statement to require investment managers to have cybersecurity insurance in place. He said cyberattacks are a growing threat in today's environment. He reported that he sent a memo and draft amendment regarding managers' cybersecurity insurance coverage to Fund Counsel for review. Mr. Kimble and Mr. DeLancey recommended that the Trustees adopt and sign the amendment.

On MOTION made and seconded, the Trustees voted unanimous approval of the following resolution:

RESOLVED to adopt the amendment to the Investment Policy Statement.

The Trustees thanked Mr. Sichel for his report, and he was excused from the meeting.

IV. COUNSEL REPORT

Mr. DeLancey said there were no legal matters pending before the Board of Trustees at this time.

V. ADMINISTRATIVE MANAGER'S REPORT

A. Third Quarter 2020

Ms. Cochran presented the Administrative Manager's Report for the third quarter 2020. Such report showed employer contributions of $23,387, miscellaneous income of $0 and interest and dividend income of $6,149, producing a total income of $29,536 for the quarter. Benefit expenses were $6,851 and operating expenses were $19,968, producing a total expense of $26,819, resulting in a net surplus of $2,717 for the quarter. Ms. Cochran noted that contributions were made on behalf of 661 participants.

B. Administrative Services Contract Renewal – INTERIM ACTION

Ms. Cochran noted that the committee of two Union Trustees and two Employer Trustees approved an extension of the administrative services contract with Associated Administrators, LLC, for the period January 1, 2021 through December 31, 2023, with 2% annual fee increases. Ms. Cochran thanked the Board of Trustees for the contract renewal and said a contractual amendment would be prepared and sent to Counsel for review.

VI. INVOICES

Ms. Cochran presented a list of invoices dated December 10, 2020 for Trustee review. It was noted that there were no additions, deletions or changes to the list.

On MOTION made and seconded, the Trustees voted unanimous approval of the following resolution:

RESOLVED that the invoices on the list dated December 10, 2020 are approved for payment as presented.

VII. OTHER FUND BUSINESS

A. Memorandum of Agreement ("MOA") – Eight O'Clock Coffee

Ms. Cochran reported the receipt of a newly negotiated Memorandum of Agreement between the Union and Eight O'Clock Coffee for the period July 17, 2021 through July 17, 2027.

After discussion and a review of the MOA by Fund Co-Counsel, the Trustees voted – with Trustee Sebhat abstaining -- approval of the following resolution:

RESOLVED to accept the MOA between Eight O'Clock Coffee and the Union for the period July 17, 2021 through July 17, 2027.

B. Memorandum of Agreement ("MOA") – Quality Custom Distribution (Formerly DPI)

Ms. Cochran reported the receipt of a newly negotiated Memorandum of Agreement between the Union and Quality Custom Distribution for the period August 30, 2020 through July 28, 2025.

After discussion and a review of the MOA by Fund Co-Counsel, the Trustees voted approval of the following resolution:

> **RESOLVED to accept the MOA between Quality Custom Distribution and the Union for the period August 30, 2020 through July 28, 2025.**

D. Steve Sindler, Esq. – Fee Request

Ms. Cochran presented a letter from Mr. Sindler, Esq. requesting an increase in his fee from $110.00 per hour to $140.00 per hour.

Upon MOTION made and seconded, the Trustees voted unanimous approval of the following:

> **RESOLVED to approve the fee agreement with the Law Offices of Steven Sindler at a fee of $140.00 per hour effective January 1, 2021.**

E. Fidelity Bond Reimbursement

Ms. Cochran reported that Zurich American Insurance Company, the carrier for Fidelity Bond coverage, provided a refund in the amount of $190.00 for the July 11, 2017 – July 11, 2020 policy due to a recalculation of the premium rate.

VIII. NEXT MEETING DATE AND LOCATION

After discussion, the Trustees selected March 26, 2021 as their next regular meeting via teleconference.

IX. ADJOURNMENT

There being no additional business to come before the Trustees, the meeting was adjourned.

Respectfully submitted,

Michael Bull
Secretary

WAREHOUSE LOCAL 730 - PREPAID LEGAL FUND
SUMMARY OF ACTIVITY
JANUARY 01, 2020 to DECEMBER 31, 2020

	Cash Reserve	Atlanta Capital	Total
Beginning Market Value	$13,520	$873,375	$886,894
Receipts	$113,162	$0	$113,162
Disbursements	$107,408	$0	$107,408
Inter-Account Transfers	$347,000	$347,000	$0
Earnings	$12,809	$25,349	$38,157
Ending Market Value	**$379,083**	**$551,724**	**$930,807**

PNC BANK, NA

WAREHOUSE EMPLOYEES UNION
LOCAL NO. 730 AND CONTRIBUTING COMPANIES'
PREPAID LEGAL SERVICES FUND

FOURTH QUARTER 2020

ADMINISTRATIVE MANAGER'S REPORT

FOURTH QUARTER 2020
CONTRIBUTIONS

EMPLOYER	RATE	HOURS	PARTICIPANTS	CONTRIBUTIONS
CANADA DRY	$0.07	114,371.12	214	$ 8,006
CANTEEN VENDING	$0.07	35,898.14	80	$ 2,513
QUALITY CUSTOM DISTRIBUTION	$0.07	33,193.68	60	$ 2,324
EIGHT O'CLOCK COFFEE	$0.07	21,038.75	47	$ 1,473
GIANT 922	$0.07	4,680.00	9	$ 328
GIANT RECYCLING	$0.07	10,933.86	23	$ 765
GIANT WAREHOUSE	$0.07	118,672.50	212	$ 8,307
UNION LOCAL 730	$0.07	1,176.00	3	$ 82
WASHINGTON FOOD	$0.07	1,741.50	4	$ 122
TOTAL		**341,705.55**	**652**	**$ 23,920**

AVERAGE HOURLY INCOME	$0.07

FOURTH QUARTER 2020
EXPENSES

BENEFIT EXPENSES	AMOUNT	AVG. HRLY. COST	PERCENTAGE
STEVEN M. SINDLER	$ 14,566	$ 0.043	71.92%
SUBTOTAL	$ 14,566	$ 0.043	71.92%

OPERATING EXPENSES	AMOUNT	AVG. HRLY. COST	PERCENTAGE
ADMINISTRATION	$ 3,916	$ 0.011	19.33%
MISCELLANEOUS	$ 1,772	$ 0.005	8.75%
SUBTOTAL	$ 5,688	$ 0.016	28.08%

TOTAL EXPENSES	**$ 20,254**	**$ 0.059**	**100.00%**

MISCELLANEOUS

MISCELLANEOUS EXPENSES	AMOUNT	AVG. HRLY. COST	PERCENTAGE
ATLANTA CAPITAL MGMT	$ 206	$ 0.001	1.017%
CYBER LIABILITY	$ (190)	$ (0.001)	-0.938%
INVESTMENT PERFORMANCE SERVICES	$ 625	$ 0.002	3.086%
LEGAL	$ 725	$ 0.002	3.580%
PNC INVESTMENT MGMT FEE	$ 333	$ 0.001	1.644%
POSTAGE	$ 72	$ -	0.355%
PRINTING	$ 1	$ -	0.005%

TOTAL	**$ 1,772**	**$ 0.005**	**8.75%**

2020
QUARTERLY RECAP

	FIRST 2020	SECOND 2020	THIRD 2020	FOURTH 2020	TOTAL
CONTRIBUTIONS	$ 33,005	$ 28,646	$ 23,387	$ 23,920	$ 108,958
MISCELLANEOUS	$ -	$ -	$ -	$ -	$ -
INTEREST & DIVIDENDS	$ 7,040	$ 6,850	$ 6,149	$ 6,277	$ 26,316
TOTAL INCOME	$ 40,045	$ 35,496	$ 29,536	$ 30,197	$ 135,274
BENEFIT EXPENSES					
PROVIDER	$ 21,681	$ 14,495	$ 6,851	$ 14,566	$ 57,593
SUBTOTAL	$ 21,681	$ 14,495	$ 6,851	$ 14,566	$ 57,593
OPERATING EXPENSES					
ADMINISTRATION	$ 5,686	$ 4,932	$ 3,918	$ 3,916	$ 18,452
MISCELLANEOUS	$ 2,603	$ 7,295	$ 16,050	$ 1,772	$ 27,720
SUBTOTAL	$ 8,289	$ 12,227	$ 19,968	$ 5,688	$ 46,172
TOTAL EXPENSES	$ 29,970	$ 26,722	$ 26,819	$ 20,254	$ 103,765
TOTAL INCOME	$ 40,045	$ 35,496	$ 29,536	$ 30,197	$ 135,274
TOTAL EXPENSES	$ 29,970	$ 26,722	$ 26,819	$ 20,254	$ 103,765
SURPLUS (DEFICIT)	**$ 10,075**	**$ 8,774**	**$ 2,717**	**$ 9,943**	**$ 31,509**
AVERAGE HOURLY INCOME	$ 0.09	$ 0.09	$ 0.09	$ 0.09	$ 0.09
AVERAGE HOURLY EXPENSES	$ 0.06	$ 0.07	$ 0.08	$ 0.06	$ 0.07
SURPLUS (DEFICIT)	$ 0.03	$ 0.02	$ 0.01	$ 0.03	$ 0.02
NUMBER OF PARTICIPANTS	947	823	661	652	771

2019
QUARTERLY RECAP

	FIRST 2019	SECOND 2019	THIRD 2019[1]	FOURTH 2019	TOTAL
CONTRIBUTIONS	$ 34,971	$ 34,714	$ 35,454	$ 33,482	$ 138,621
MISCELLANEOUS	$ -	$ -	$ -	$ -	$ -
INTEREST & DIVIDENDS	$ 4,695	$ 6,150	$ 5,628	$ 5,377	$ 21,850
TOTAL INCOME	$ 39,666	$ 40,864	$ 41,082	$ 38,859	$ 160,471
BENEFIT EXPENSES					
PROVIDER	$ 34,641	$ 28,126	$ 22,982	$ 26,918	$ 112,667
SUBTOTAL	$ 34,641	$ 28,126	$ 22,982	$ 26,918	$ 112,667
OPERATING EXPENSES					
ADMINISTRATION	$ 5,994	$ 5,890	$ 5,950	$ 5,746	$ 23,580
MISCELLANEOUS	$ 3,078	$ 4,475	$ 13,283	$ 11,339	$ 32,175
SUBTOTAL	$ 9,072	$ 10,365	$ 19,233	$ 17,085	$ 55,755
TOTAL EXPENSES	$ 43,713	$ 38,491	$ 42,215	$ 44,003	$ 168,422
TOTAL INCOME	$ 39,666	$ 40,864	$ 41,082	$ 38,859	$ 160,471
TOTAL EXPENSES	$ 43,713	$ 38,491	$ 42,215	$ 44,003	$ 168,422
SURPLUS (DEFICIT)	**$ (4,047)**	**$ 2,373**	**$ (1,133)**	**$ (5,144)**	**$ (7,951)**
AVERAGE HOURLY INCOME	$ 0.08	$ 0.08	$ 0.08	$ 0.08	$ 0.08
AVERAGE HOURLY EXPENSES	$ 0.09	$ 0.08	$ 0.08	$ 0.09	$ 0.09
SURPLUS (DEFICIT)	$ (0.01)	$ -	$ -	$ (0.01)	$ (0.01)
NUMBER OF PARTICIPANTS	1,030	1,014	1,022	987	1,013

[1]Information revised from previous AMR report

FOURTH QUARTER 2020
CONTRACT INFORMATION

COMPANY	CURRENT RATE	RATE EFF. DATE	CBA EXPIRATION
CANADA DRY[1]	$0.07	02-27-15	02-26-20
CANTEEN VENDING	$0.07	10-13-17	10-21-21
QUALITY CUSTOM DISTRIBUTION	$0.07	07-28-20	07-28-25
EIGHT O'CLOCK COFFEE	$0.07	10-01-04	07-17-27
GIANT 922	$0.07	04-28-11	06-25-22
GIANT RECYCLING	$0.07	08-01-04	06-25-22
GIANT WAREHOUSE	$0.07	05-30-04	05-14-27
UNION LOCAL 730	$0.07	05-30-04	Follows Giant Warehouse CBA
WASHINGTON FOOD	$0.07	11-01-06	10-31-21

[1]The agreement has been extended.

FOURTH QUARTER 2020
UTILIZATION

STEVEN M. SINDLER

CATEGORY	TYPE	NEW CASES	ATTORNEY HOURS	PARALEGAL HOURS	HOURLY RATE	TOTAL CHARGES
01	ADVISE AND CONSULTATION	7	8.55	0.00	$ 110	$ 941
02	WILL	0	0.00	0.00	$ 110	$ 0
03	FAMILY	0	20.75	0.00	$ 110	$ 2,283
04	REAL ESTATE	0	0.00	0.00	$ 110	$ 0
05	TRAFFIC	3	32.66	0.00	$ 110	$ 3,593
06	CRIMINAL	4	29.64	0.00	$ 110	$ 3,260
07	JUVENILE	0	0.00	0.00	$ 110	$ 0
08	PROBATE/ESTATE	0	0.00	0.00	$ 110	$ 0
09	CIVIL PROCEEDINGS	4	40.81	0.00	$ 110	$ 4,489
TOTALS		18	132.41	0.00		$14,566

ALL HOURS	132.41
ADJUSTED HOURS	132.41
COST PER HOUR	$ 110

LEGAL

DELINQUENCY REPORT

As of December 31, 2020

NONE

Warehouse Employees Union Local No. 730
and Contributing Companies' Prepaid Legal Services Fund

INVOICES
March 26, 2021

Blank Rome LLP

3/9/2021	Fee for professional services rendered through Febraury 28, 2021	$ 167.40
2/3/2021	Fee for professional services rendered through January 31, 2021	$ 334.80
1/8/2021	Fee for professional services rendered through December 31, 2020	$ 725.40
12/2/2020	Fee for professional services rendered through November 30, 2020	$ 223.20

Investment Performance Services, LLC

3/3/2021	Fee for professional services for the Quarter ending March 31, 2021	$ 625.00
12/2/2020	Fee for professional services for the Quarter ending December 31, 2020	$ 625.00

WAREHOUSE EMPLOYEES UNION LOCAL NO. 730 AND CONTRIBUTING COMPANIES' PREPAID LEGAL SERVICES FUND

ANNUAL REPORT

For the Reporting Period
January 1, 2020 to December 31, 2020

"Run this up Legal's ass."

Law Offices of Steven M. Sindler
1130 Annapolis Road
Suite 101
Odenton, MD 21113

(877) 293-8730

FIRST QUARTER 2020
UTILIZATION

CATEGORY	CATAGORY	NEW CASES	PERCENT	ATTORNEY HOURS	HOURLY RATE	CHARGES	PERCENT
01	ADVISE AND CONSULT	8	29.6%	9.00	$110.00	$990.00	4.6%
02	WILL	0	0.0%	0.00	$110.00	$0.00	0.0%
03	DIVORCE	6	22.2%	30.00	$110.00	$3,300.00	15.2%
04	REAL ESTATE	1	3.7%	6.00	$110.00	$660.00	3.0%
05	TRAFFIC	0	0.0%	56.01	$110.00	$6,161.10	28.4%
06	CRIMINAL	6	22.2%	50.22	$110.00	$5,524.20	25.5%
07	PROBATE/ESTATE	0	0.0%	0.00	$110.00	$0.00	0.0%
08	CIVIL PROCEEDINGS	6	22.2%	45.87	$110.00	$5,045.70	23.3%
TOTALS		27	100.0%	197.10	$110.00	$21,681.00	100.0%

SECOND QUARTER 2020
UTILIZATION

CATEGORY	CATAGORY	NEW CASES	PERCENT	ATTORNEY HOURS	HOURLY RATE	CHARGES	PERCENT
01	ADVISE AND CONSULT	4	19.0%	4.00	$110.00	$440.00	3.0%
02	WILL	0	0.0%	0.00	$110.00	$0.00	0.0%
03	DIVORCE	6	28.6%	48.78	$110.00	$5,365.80	37.0%
04	REAL ESTATE	0	0.0%	0.00	$110.00	$0.00	0.0%
05	TRAFFIC	3	14.3%	20.85	$110.00	$2,293.50	15.8%
06	CRIMINAL	2	9.5%	13.44	$110.00	$1,478.40	10.2%
07	PROBATE/ESTATE	0	0.0%	0.00	$110.00	$0.00	0.0%
08	CIVIL PROCEEDINGS	6	28.6%	44.70	$110.00	$4,917.00	33.9%
TOTALS		21	100.0%	131.77	$110.00	$14,494.70	100.0%

THIRD QUARTER 2020
UTILIZATION

CATEGORY	CATAGORY	NEW CASES	PERCENT	ATTORNEY HOURS	HOURLY RATE	CHARGES	PERCENT
01	ADVISE AND CONSULT	2	18.2%	2.00	$110.00	$220.00	3.2%
02	WILL	0	0.0%	0.00	$110.00	$0.00	0.0%
03	DIVORCE	4	36.4%	28.66	$110.00	$3,152.60	46.0%
04	REAL ESTATE	0	0.0%	0.00	$110.00	$0.00	0.0%
05	TRAFFIC	1	9.1%	2.00	$110.00	$220.00	3.2%
06	CRIMINAL	0	0.0%	2.40	$110.00	$264.00	3.9%
07	PROBATE/ESTATE	0	0.0%	0.00	$110.00	$0.00	0.0%
08	CIVIL PROCEEDINGS	4	36.4%	27.22	$110.00	$2,994.20	43.7%
TOTALS		11	100.0%	62.28	$110.00	$6,850.80	100.0%

FOURTH QUARTER 2020
UTILIZATION

CATEGORY	CATAGORY	NEW CASES	PERCENT	ATTORNEY HOURS	HOURLY RATE	CHARGES	PERCENT
01	ADVISE AND CONSULT	8	33.3%	8.55	$110.00	$940.50	6.5%
02	WILL	0	0.0%	0.00	$110.00	$0.00	0.0%
03	DIVORCE	2	8.3%	18.05	$110.00	$1,985.50	13.6%
04	REAL ESTATE	0	0.0%	0.00	$110.00	$0.00	0.0%
05	TRAFFIC	5	20.8%	32.66	$110.00	$3,592.60	24.7%
06	CRIMINAL	5	20.8%	29.64	$110.00	$3,260.40	22.4%
07	PROBATE/ESTATE		0.0%	0.00	$110.00	$0.00	0.0%
08	CIVIL PROCEEDINGS	4	16.7%	43.51	$110.00	$4,786.10	32.9%
TOTALS		24	100.0%	132.41	$110.00	$14,565.10	100.0%

TOTAL UTILIZATION 2020

CATEGORY	CATAGORY	NEW CASES	PERCENT	ATTORNEY HOURS	HOURLY RATE	CHARGES	PERCENT
01	ADVISE AND CONSULT	22	34.9%	23.55	$110.00	$2,590.50	4.5%
02	WILL	0	0.0%	0.00	$110.00	$0.00	0.0%
03	DIVORCE	18	28.6%	125.49	$110.00	$13,803.90	24.0%
04	REAL ESTATE	1	1.6%	6.00	$110.00	$660.00	1.1%
05	TRAFFIC	9	14.3%	111.52	$110.00	$12,267.20	21.3%
06	CRIMINAL	13	20.6%	95.70	$110.00	$10,527.00	18.3%
07	PROBATE/ESTATE	0	0.0%	0.00	$110.00	$0.00	0.0%
08	CIVIL PROCEEDINGS	0	0.0%	161.30	$110.00	$17,743.00	30.8%
TOTALS		63	100.0%	523.56	$110.00	$57,591.60	100.0%

Year to Date1 - Last year
1/1/2020 through 12/31/2020

Category	1/1/2020- 12/31/2020	% of Total
INFLOWS		
Fund Payments	57,591.60	100.00 %
TOTAL INFLOWS	**57,591.60**	**100 %**
OUTFLOWS		
Type		
Civil Matters	17,743.00	30.81 %
Consultations	2,590.50	4.50 %
Criminal		
Felony	3,401.20	5.91 %
Misdemeanor	7,125.80	12.37 %
TOTAL Criminal	10,527.00	18.28 %
Domestic	13,803.90	23.97 %
Real Estate	660.00	1.15 %
Traffic	12,267.20	21.30 %
TOTAL Type	57,591.60	100.00 %
TOTAL OUTFLOWS	**57,591.60**	**100 %**
OVERALL TOTAL	**0.00**	**100 %**

CYBER INSURANCE PROPOSAL FOR

Warehouse Employees Union Local No. 730 & Contributing Companies' Prepaid Legal Services Fund, Warehouse Employees Union Local No. 730 Pension Trust Fund Warehouse Employees Union Local No. 730 Health & Welfare Trust Fund

911 Ridgebrook Road
Sparks, MD 21152

Prepared by:

Reginald Moses
Senior Account Executive
Management Liability
Bethesda - Burtonsville
T: 301-214-7097
Reginald.moses@nfp.com

March 5, 2021

NFP®

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AGENCY CONTACTS

Main Switchboard 301-214-7000
Main Fax 301-214-7001

COMMERCIAL INSURANCE – BETHESDA, MD

Reginald Moses, Senior Account Executive-Management Liability..................................301-214-7097
Tina Robinson, Account Manager-Management Liability...301-581-7371

PERSONAL INSURANCE

Kim Holmes, Assistant Vice President..301-214-7023

IMPORTANT INFORMATION

Please review the proposal carefully as terms and conditions may differ from your current insurance program and also differ from the insurance specifications submitted by you or your representative.

All premiums and proposed are based on information provided by you at the time of quotation and are subject to adjustment. Rates are those offered at the time of quotation and may be subject to change based on carrier considerations prior to policy inception. Electing to buy or renew only some of the types of coverage may result in changes to the terms, conditions and premiums of the remaining insurance lines.

When this proposal contains references to liability limits, please note that other limits may be available. Please advise us if you would like premium indications for alternate liability limits. Please note that limits may extend through excess and/or umbrella policies and this should be factored into your decision concerning the appropriate limits.

When this proposal contains references to property limits it is understood that it is the insured's responsibility to determine the replacement cost of such property and to select an appropriate limit. We would be pleased to assist in helping to determine property values however the ultimate decision on limits purchased is the insured's.

INSURANCE COMPENSATION DISCLOSURE

As an insurance broker/agent, NFP Property & Casualty Services, Inc. (NFP P&C) is licensed as an insurance broker/agent, in all fifty states. Our insurance producers are authorized by their license to confer with the insurance purchasers about the benefits, terms and conditions of insurance contracts; to offer advice concerning the benefits of particular insurance contracts; to sell insurance; and to obtain insurance for purchasers. The role of the producer in any particular transaction typically involves one or more of these activities.

NFP P&C may receive compensation in the form of commissions of either a specific dollar amount or a percentage of premium set at the time of the purchase, renewal or servicing of a particular insurance policy; therefore, the amount of commissions we receive will depend on the policies and the insurance company you select. We may also receive contingent commissions based on the volume of business placed with the insurance company, the profitability of that business and other factors. We generally do not know if a contingent payment will be made, or the amount of any such contingent payment, at the time the insurance contract is placed with an insurance company. In addition to the compensation that NFP P&C receives, our corporate parent or affiliates may receive contingent payments from insurance companies based on factors that are not client-specific, such as the performance or size of the overall book of business produced with an insurance company. We may also participate in insurer-sponsored events such as trips, seminars, and advisory council meetings, based on the volume of business placed with the insurance company you select.

You may receive information about NFP P&C's expected compensation on the policy or policies you select and about any policies we have presented to you which you did not select by asking for the information.

Should this proposal recommend the use of surplus lines carriers, please be aware that these carriers may not be eligible for financial insolvency protection in the same manner that admitted carriers could be protected. This could lead to potentially uninsured exposure. Also, please be aware that NFP P&C is under no obligation to monitor any financing obligation of your premium or any matter related to premium billing conducted directly by any carrier(s).

CYBER LIABILITY COVERAGE

CARRIER	Syndicate 2623/623 at Lloyd's – **Non-Admitted**
A.M. BEST RATING	A s (Excellent) XV ($2 Billion or greater)
POLICY PERIOD	March 12, 2021 – March 12, 2022
POLICY FORM	Beazley Breach Response (F00653 112017 ed.) with BBR Information Pack

COVERAGE SECTION	LIMIT OF LIABILITY
Each Claim Limit of Liability	
• Legal, Forensic & Public Relations/Crisis Mgmt	$1,000,000
• Policy Aggregate Limit of Liability	$1,000,000
• Notified Individuals	100,000
Breach Response	
• Breach Response	$1,000,000
Additional Breach Response Limit	
• Additional Breach Response Limit	$1,000,000
First Party Insuring Agreements	
Business Interruption	
• Resulting from Security Breach	$1,000,000
• Resulting from System Failure	$1,000,000
Dependent Business Loss:	
• Resulting from Dependent Security Breach:	$100,000
• Resulting from Dependent System Failure	$100,000
Cyber Extortion Loss	$1,000,000
Data Recovery Costs	$1,000,000
Liability:	
• Data & Network Liability:	$1,000,000
• Regulatory Defense & Penalties:	$1,000,000
• Payment Card Liabilities & Costs:	Not Included
• Media Liability:	$1,000,000
E-Crime	
• Fraudulent Instruction	$250,000
• Funds Transfer Fraud	$250,000
• Telephone Fraud	$250,000
Criminal Rewards	
• Criminal Reward	$50,000
Retentions	
Legal, Forensic & Public Relations/Crisis Mgmt	$2,500/$1,250 for Legal
Retention for Cyber Extortion Loss	$1,000
Each Incident, Claim, or loss	$2,500

TOTAL ANNUAL PREMIUM	**$ 2,370.00**
SURPLUS LINES TAX MD (3%)	**$ 71.10**
TOTAL ANNUAL PREMIUM	**$ 2,441.10**

Expiring premium w/taxes $2,101.20

POLICY OVERVIEW

- Duty to Defend – Yes
- Continuity Date – November 10, 2018
- Option Extension Period – 12 months
- Optional Extension Premium – 100% of the annual policy premium
- Waiting Period - 8 Hours
- Notified Individuals Threshold – 100 Notified Individuals

ENDORSEMENTS/TERMS TO BE ADDED TO THE BASIC POLICY INCLUDE BUT ARE NOT LIMITED TO

FORM NUMBER	ENDORSEMENTS/DESCRIPTION	NEW OR AS EXPIRING
SCHEDULE2021	Lloyd's Security Schedule 2021	As Expiring
BSLMUNMA2868	Lloyd's Certificate – No policy language	As Expiring
NMA1256	Nuclear Incident Exclusion Clause-Liability-Direct (Broad) (U.S.A.)	As Expiring
NMA1477	Radioactive Contamination Exclusion Clause-Liability-Direct (U.S.A.)	As Expiring
E02804 032011 ed.	Sanction Limitation and Exclusion Clause	As Expiring
E10602 112017 ed.	War and Civil War Exclusion	As Expiring
E10595 112017 ed.	Asbestos, Pollution, and Contamination Exclusion Endorsement	As Expiring
E11122 012018 ed.	Cap on Losses Arising Out of Certified Acts of Terrorism	As Expiring
E10596 122019 ed.	Choice of Law and Service of Suite • Choice of Law: New York	As Expiring
E11294 032018 ed.	Amend Data Recovery Costs	As Expiring
E12604 012019 ed.	Amend Definition of Data	As Expiring
E06799 112017 ed.	Amend Definition of Fraudulent Instruction	As Expiring
E07594 112017 ed.	Amend Notified Individuals Threshold	As Expiring
E12698 022019 ed.	Amend Other Insurance Clause – Primary With Respect To Breach Response Services And First Party Loss	As Expiring
E11783 072018 ed.	Computer Hardware Replacement Cost • Sublimit: *$100,000*	As Expiring
E10675 012019 ed.	Contingent Bodily Injury With Sublimit Endorsement • Sublimit: *$250,000*	As Expiring

E12968 052019 ed.	Cryptojacking Endorsement • Sublimit: *$100,000* • Retention: *$2,500*	As Expiring
E11290 032018 ed.	GDPR Cyber Endorsement	As Expiring
E11848 072018 ed.	Invoice Manipulation Coverage • Limit: *$100,000* • Retention $2,500	As Expiring
E10944 032019 ed.	Post Breach Remedial Services Endorsement	As Expiring
E13038 062019 ed.	Reputation Loss • Limit: *$1,000,000* • Retention: *$2,500*	As Expiring
E12967 052019 ed.	Voluntary Shutdown Coverage	As Expiring
E05819 112017 ed.	Amend Definition of Insured	As Expiring
E09580 112017 ed.	Amend Definition of Insured Organization - Scheduled Entities Insured Organization • Warehouse Employees Union Local No 730 & Contributing Employers Prepaid Legal Service Fund • Warehouse Employees Union Local No 730 Pension Trust Fund	As Expiring
E06928 082020 ed.	Policyholder Disclosure Notice of Terrorism Insurance Coverage	As Expiring
E13915 052020 ed.	Employee Device Endorsement	New
E13372 092019 ed.	State Consumer Privacy Statutes Endorsement	As Expiring

INFORMATION REQUIRED PRIOR TO BINDING COVERAGE – PLEASE NOTE THAT COVERAGE OR PREMIUM MAY CHANGE BASED ON THE INFORMATION PROVIDED

- The additional terms in this provision supersede all other provisions. This is a conditional renewal quote, subject to change per a material change in risk since the last policy renewal or as indicated on the renewal application.

- Signed and dated questionnaire

MARKETING SUMMARY

CARRIER	RESPONSE	DETAILS
CNA	Declined	Underwriting guidelines
Chubb	Declined	Non-competitive
Travelers	Declined	Non-competitive

BEST'S FINANCIAL STRENGTH RATING GUIDE

A Best's Financial Strength Rating (FSR) is an independent opinion of an insurer's financial strength and ability to meet its ongoing insurance policy and contract obligations. An FSR is not assigned to specific insurance policies or contracts and does not address any other risk, including, but not limited to, an insurer's claims-payment policies or procedures; the ability of the insurer to dispute or deny claims payment on grounds of misrepresentation or fraud; or any specific liability contractually borne by the policy or contract holder. An FSR is not a recommendation to purchase, hold or terminate any insurance policy, contract or any other financial obligation issued by an insurer, nor does it address the suitability of any particular policy or contract for a specific purpose or purchaser. In addition, an FSR may be displayed with a rating identifier, modifier or affiliation code that denotes a unique aspect of the opinion.

Best's Financial Strength Rating (FSR) Scale

Rating Categorie	Rating Symbo	Rating Notche	Category Definitions
Superior	A+	A++	Assigned to insurance companies that have, in our opinion, a superior ability to meet their ongoing insurance obligations.
Excellent	A	A-	Assigned to insurance companies that have, in our opinion, an excellent ability to meet their ongoing insurance obligations.
Good	B+	B++	Assigned to insurance companies that have, in our opinion, a good ability to meet their ongoing insurance obligations.
Fair	B	B-	Assigned to insurance companies that have, in our opinion, a fair ability to meet their ongoing insurance obligations. Financial strength is vulnerable to adverse changes in underwriting and economic conditions.
Marginal	C+	C++	Assigned to insurance companies that have, in our opinion, a marginal ability to meet their ongoing insurance obligations. Financial strength is vulnerable to adverse changes in underwriting and economic conditions.
Weak	C	C-	Assigned to insurance companies that have, in our opinion, a weak ability to meet their ongoing insurance obligations. Financial strength is very vulnerable to adverse changes in underwriting and economic conditions.
Poor	D	-	Assigned to insurance companies that have, in our opinion, a poor ability to meet their ongoing insurance obligations. Financial strength is extremely vulnerable to adverse changes in underwriting and economic conditions.

*Each Best's Financial Strength Rating Category from "A+" to "C" includes a Rating Notch to reflect a gradation of financial strength within the category. A Rating Notch is expressed with either a second plus "+" or a minus "-".

Financial Strength Non-Rating Designations

Designati on Symbols	Designation Definitions
E	Status assigned to insurers that are publicly placed, via court order into conservation or rehabilitation, or the international equivalent, or in the absence of a court order, clear regulatory action has been taken to delay or otherwise limit policyholder payments.
F	Status assigned to insurers that are publicly placed via court order into liquidation after a finding of insolvency, or the international equivalent.
S	Status assigned to rated insurance companies to suspend the outstanding FSR when sudden and significant events impact operations and rating implications cannot be evaluated due to a lack of timely or adequate information; or in cases where continued maintenance of the previously published rating opinion is in violation of evolving regulatory requirements.
NR	Status assigned to insurance companies that are not rated; may include previously rated insurance companies or insurance companies that have never been rated by AM Best.

Rating Disclosure – Use and Limitations

A Best's Credit Rating (BCR) is a forward-looking independent and objective opinion regarding an insurer's, issuer's or financial obligation's relative creditworthiness. The opinion represents a comprehensive analysis consisting of a quantitative and qualitative evaluation of balance sheet strength, operating performance, business profile and enterprise risk management or, where appropriate, the specific nature and details of a security. Because a BCR is a forward-looking opinion as of the date it is released, it cannot be considered as a fact or guarantee of future credit quality and therefore cannot be described as accurate or inaccurate. A BCR is a relative measure of risk that implies credit quality and is assigned using a scale with a defined population of categories and notches. Entities or obligations assigned the same BCR symbol developed using the same scale, should not be viewed as completely identical in terms of credit quality. Alternatively, they are alike in category (or notches within a category), but given there is a prescribed progression of categories (and notches) used in assigning the ratings of a much larger population of entities or obligations, the categories (notches) cannot mirror the precise subtleties of risk that are inherent within similarly rated entities or obligations. While a BCR reflects the opinion of A.M. Best Rating Services, Inc. (AM Best) of relative creditworthiness, it is not an indicator or predictor of defined impairment or default probability with respect to any specific insurer, issuer or financial obligation. A BCR is not investment advice, nor should it be construed as a consulting or advisory service, as such; it is not intended to be utilized as a recommendation to purchase, hold or terminate any insurance policy, contract, security or any other financial obligation, nor does it address the suitability of any particular policy or contract for a specific purpose or purchaser. Users of a BCR should not rely on it in making any investment decision; however, if used, the BCR must be considered as only one factor. Users must make their own evaluation of each investment decision. A BCR opinion is provided on an "as is" basis without any expressed or implied warranty. In addition, a BCR may be changed, suspended or withdrawn at any time for any reason at the sole discretion of AM Best.

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