

ATTACHMENT 1



CITY of CALABASAS
WELCOME

PRESENTATION TO THE City of Calabasas

PRESENTED BY:
ALLIANT INSURANCE SERVICES, INC.

About Alliant



\$3.3B
Revenue



\$30.7B
Premium Volume



51%
Employee Owned



9,700+
Employees



4th Largest
U.S. P&C Broker



Earthquake Coverage

What will be discussed

- *How the coverage works*
- *Why it could be a mistake to rely on FEMA*
- *Strategies for purchasing the coverage*
- *Difference between Difference in Conditions (DIC) and Parametric*

How it Works

- Property specific Catastrophic (CAT) coverage designed to protect against a natural disaster – Earth Movement
- An earthquake policy will generally cover damage to your building and to your business property. Depending on the policy, lost business income/revenue caused by an earthquake may also be covered.
- Shake/event occurs – claim is filed reporting the claim, policy will pay based on the damage, less the deductible.
- Deductibles are usually a percentage (i.e. 5%) with a minimum.

Mistakes of Relying on FEMA

- *Arduous process, lots of paperwork*
- *Purchase coverage on KEY locations that are critical to the City and its operations!*
- *Purchase small limit – for immediate cash influx, while buying time in dealing with FEMA*
- *Purchase policy with HIGH deductible and only file FEMA claim for deductible.*

Multiple Purchasing Strategies

- *Coverage across all owned properties - expensive*
- *Coverage on specific locations that are critical to City operations*
- *Purchase a policy with a HIGH deductible*
- *Purchase Insurance Linked Security (ILS) policy like Parametric insurance.*

Difference between DIC and Parametric Coverage

- *DIC is traditional earthquake coverage:*
 - *Event occurs*
 - *Building suffers damage*
 - *Claim submitted and paid, less deductible*
- *Parametric is Insurance Linked Securities (ILS) coverage:*
 - *Covers the loss sustained, based on a predetermined trigger event (i.e. 6.5 magnitude or higher)*
 - *Claims payments are typically within weeks of the event occurring, sometimes faster*
 - *Can be based on multiple triggers, based on ground shake intensity and not Richter scale magnitude*