



CLIENT COPY

A member of the American Fidelity Group

2000 N. Classen Boulevard, Oklahoma City, Oklahoma 73106

EXCESS LOSS INSURANCE POLICY
Non-Participating

PLEASE READ CAREFULLY

Policyholder Name: City of Long Beach **31002**

Principal Address: 333 West Ocean Blvd., Long Beach,
California 90802

Policy Number: AFA-SLP-2007-1139-ELITE

Effective Date: December 1, 2007

Expiration Date: December 31, 2008

YOUR Designated Third-Party Administrator: Great West

This Policy is issued in consideration of YOUR Application/Schedule and the payment of premiums. The attached Application/Schedule and a copy of YOUR Employee Welfare Benefit Plan on file with US form a part of this Policy.

All periods of coverage will begin and end at 12:01 a.m. Standard Time at YOUR Principal Address.

This Policy is governed by the laws of the state of YOUR Principal Address except to the extent which it is pre-empted by ERISA.

This Policy is issued by US at OUR Underwriting Offices as of the Effective Date.

Secretary

President

WARNING: Any person who knowingly, and with intent to injure, defraud or deceive any insurer, makes any claim for the proceeds of an insurance policy containing any false, incomplete or misleading information may be guilty of insurance fraud.

TABLE OF CONTENTS

Section I	Definitions	Pages 3, 4, 5
Section II	Specific Excess Loss Coverage.....	Page 6
Section III	Aggregate Excess Loss Coverage.....	Page 6
Section IV	Reimbursement of Additional Coverages	Page 6
Section V	Limitations	Pages 7, 8
Section VI	Exclusions	Page 8
Section VII	Premiums and Factors.....	Page 9
Section VIII	Termination	Pages 9, 10
Section IX.....	Reinstatement.....	Page 10
Section X.....	Claim Provisions	Pages 10, 11
Section XI	General Provisions.....	Pages 12, 13, 14
Exhibit I	Pages 15, 16
Application/Schedule		

SECTION I DEFINITIONS

Actively at Work means that an employee is performing the ordinary duties of his or her job and is not confined to a hospital or other health care facility, or as defined by the Plan Document, or absent from the workplace because of any illness or accident. Ordinarily, scheduled vacation time is considered to be Actively at Work.

Aggregate Reimbursement Percentage means the percentage at which Eligible Expenses, in excess of YOUR Annual Aggregate Attachment Point, will be reimbursed by US.

Annual Aggregate Attachment Point means, for the Policy Period or any portion of the Policy Period, the Plan Benefits covered by this Policy and wholly retained by YOU. It is not considered for reimbursement under this Policy, and is the greater of:

1. the sum of Monthly Aggregate Factor amounts for each month of the Policy Period, determined by multiplying the total number of Covered Units by the Monthly Aggregate Factor amounts; or
2. the Minimum Annual Aggregate Attachment Point shown in the Application/Schedule.

The maximum per Covered Person which may be applied annually to the Annual Aggregate Attachment Point, (i.e. Individual Claim Limit) is shown in the Application/Schedule.

Application/Schedule means the Excess Loss Insurance Application/Schedule signed by YOU and attached to this Policy. The Application/Schedule is subject to acceptance by US and, if accepted, will become a part of this Policy.

Benefit Period means the period of time during which covered expenses must be incurred by a Covered Person and Paid by YOU to be eligible for reimbursement under this Policy. This period does not alter the Policy Effective Date or Policy Period. It does not waive this Policy's eligibility requirements.

COBRA Continuee means a Covered Unit that elects to extend its group health coverage under the Plan as entitled under the Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA).

Company (WE, US, OUR) means American Fidelity Assurance Company.

Covered Family means an employee and his or her dependents covered under the Plan.

Covered Person means an individual covered under the Plan.

Covered Unit means an employee, an employee with dependents, or such other defined unit as agreed upon between YOU and US, as shown in the Application/Schedule.

Disabled Persons are those persons who are or become unable to perform the same lifestyle functions as a person of similar age and sex who is in good health.

Eligible Expenses means the eligible charges payable under YOUR Plan and for which the Covered Person is liable to pay. It does not include expenses specifically excluded or limited by this Policy, YOUR Application/Schedule for this Policy, or any Endorsements.

Endorsement means a written amendment or addendum that alters the terms of this Policy.

Experimental or Investigational means medical services, supplies or treatments provided or performed in a special setting for research purposes, under a treatment protocol or as part of a clinical trial (Phase I, II or III). The covered service will also be considered Experimental/Investigational if the Covered Person is required to sign a consent form which indicates the proposed treatment or procedure is part of a scientific study or medical research to determine its effectiveness or safety. Medical treatment, which is not considered standard treatment by the majority of the medical community or by Medicare, Medicaid or any other government financed programs or the National Cancer Institute regarding malignancies, will be considered Experimental/Investigational. A drug, device or biological product is considered Experimental/Investigational if it does not have FDA approval or it has FDA approval only under an interim step in the FDA process, i.e., an investigational device exemption or an investigational new drug exemption.

HIPAA refers to Public Law 104-191, otherwise known as the Health Insurance Portability and Accountability Act of 1996.

Incurred means:

1. with respect to medical services or supplies, the date on which the services are rendered or supplies are received by the Covered Person; and
2. with respect to disability income benefits, the date each periodic benefit payment becomes payable to the Covered Person (not the date the disability commences).

Individual Claim Limit means the maximum amount of Payments for Eligible Expenses that will be counted for any one Covered Person under Aggregate Excess Loss. The Individual Claim Limit is shown in the Application/Schedule.

Large Claim (LC) means Paid or pending claims reaching, or with the potential to reach, 50% of the Specific Attachment Point or a PCL.

Minimum Annual Aggregate Attachment Point means the lowest amount of total Payments YOU must make under YOUR Plan before YOU are eligible for reimbursement under Aggregate Excess Loss coverage. The Minimum Annual Aggregate Attachment Point is shown in the Application/Schedule.

Monthly Aggregate Factor means the factor(s) which is/are multiplied by the number of Covered Units for each Policy Month to determine the Annual Aggregate Attachment Point. The Monthly Aggregate Factor(s) is/are shown in the Application/Schedule.

Paid (Payment) means that a claim has been adjudicated by the TPA and the funds are actually disbursed by the Plan prior to the end of the Benefit Period. Payment of a claim is the unconditional and direct payment of a claim to a Covered Person or their health care provider(s). Payment will be deemed made on the date that both:

1. the payor directly tenders payment by mailing (or by other form of delivery) a draft or check; and
2. the account upon which the payment is drawn contains, and continues to contain, sufficient funds to permit the check or draft to be honored by the institution upon which it is drawn.

Plan (Employee Welfare Benefit Plan) means the self-insured health care plan YOU have agreed to make available to YOUR employees and their eligible dependents.

Plan Benefits means the health benefits covered by the Plan during the Policy Period which are:

1. Incurred on or after the Effective Date of this Policy; and
2. Incurred while this Policy is in force; and
3. Incurred and Paid during the Policy Period.

Plan Benefits will also include those health benefits covered by the Plan during the Policy Period which are Paid during any Run-Out Period or incurred during any Run-In Period applicable to this Policy.

Plan Benefits do not include:

1. deductibles of the Plan;
2. co-insurance or co-payment amounts of the Plan;
3. expenses that are not covered by the Plan or this Policy;
4. amounts recoverable from any other source; or
5. amounts Paid under a previous policy or arrangement of excess loss coverage, whether issued by US or another entity.

Plan Document means the written instrument which describes the Plan and names the fiduciaries or trustees who jointly and separately have authority to control and manage the operations and administration of the Plan. The Plan Document must be in effect on the Effective Date of this Policy. The Plan Document shall be attached to and made a part of this Policy. Any changes to the Plan Document must be approved by US. (See the "Changes to YOUR Plan" provision.)

Policy means this Excess Loss Policy issued by US to YOU.

Policy Month means, for the first Policy Month, the period beginning on the Effective Date of this Policy and ending on the corresponding date of the following month. Subsequent Policy Months begin on the corresponding date of each calendar month and continue until the corresponding date of the next month to the Policy Expiration Date.

Policy Period means the time period beginning on the Effective Date and ending on the Expiration Date.

Policyholder (Plan Sponsor, YOU or YOUR) means the Plan Sponsor, named on the face page, to whom this Policy is issued.

Potentially Catastrophic Loss (PCL) means a Paid or pending claim that has the potential to be catastrophic. PCL's include, but are not limited to the conditions listed in Exhibit I.

Premium Due Date is the first day of each calendar month. If the Effective Date of the Policy is other than the first day of a calendar month, the first month's premium will be pro-rated.

Run-In Limit means the maximum benefit amount paid by YOU under YOUR Plan for Eligible Expenses incurred by a Covered Person during the Run-In Period which will be applied toward payment under this Policy.

Run-In Period means the period of time shown in the Application/Schedule immediately prior to the first day of a Policy Period during which Eligible Expenses incurred by a Covered Person, which are paid by YOU during the Policy Period, will be considered when determining benefit payments under this Policy.

Run-Out Period means the period of time shown in the Application/Schedule immediately following this Policy's Expiration Date during which Plan benefits paid by YOU for Eligible Expenses incurred by a Covered Person during the Policy Period will be considered when determining benefit payments under this Policy.

Specific Attachment Point means the amount which is retained and Paid by YOU during the Policy Period. It is not considered for reimbursement under this Policy. The Specific Attachment Point applies separately to each Covered Person. The Specific Attachment Point is shown in the Application/Schedule.

Specific Lifetime Maximum Reimbursement means the maximum amount WE will reimburse YOU with respect to any Covered Person under this and prior or later Policies issued by US. The Lifetime Maximum excludes the Specific Attachment Point amount. The Lifetime Maximum will not exceed the lesser of:

1. the amount shown in the Application/Schedule; or
2. the lifetime amount set forth in the Plan.

Specific Reimbursement Percentage means the percentage at which Eligible Expenses, in excess of YOUR Specific Attachment Point, will be reimbursed by US.

Third-Party Administrator (TPA) means a firm having a written agreement with YOU to process Plan benefits and provide administrative services.

The term Third-Party Administrator, as used in this Policy, does not refer to the Plan Administrator used in the Employee Retirement Income Security Act (ERISA) of 1974, as amended, unless YOU have specifically appointed the Third-Party Administrator as such.

Usual and Customary Charges means the common charge for the same or comparable service or supply in the geographic area in which the service or supply is furnished. Usual and Customary Charges are determined based upon:

1. the amount of resources expended to deliver the treatment;
2. the complexity of the treatment rendered; and
3. charging protocols and billing practices generally accepted by the medical community.

**SECTION II
SPECIFIC EXCESS LOSS COVERAGE**

WE will reimburse YOU for Plan Benefits Paid in excess of the Specific Attachment Point, not to exceed the Specific Lifetime Maximum amount shown in the Application/Schedule.

WE will reimburse YOU after YOU have provided an acceptable proof of loss and satisfactory proof of Paid Plan Benefits.

The Specific Excess Loss benefit applies to a Policy Period or fraction thereof (due to termination). As determined with regard to each Covered Person, it is the lesser of:

1. the Specific Lifetime Maximum; or
2. eligible Plan Benefit Payments made with regard to a Covered Person, less the Specific Attachment Point, the result of which is then multiplied by the Specific Reimbursement Percentage.

If, for any reason, YOUR Specific Excess Loss coverage terminates before the end of the Policy Period:

1. all coverage under the Policy will end immediately;
2. the Run-Out Period, if any, will not apply; and
3. the Specific Attachment Point shown in the Application/Schedule will continue to apply and it will not be reduced.

**SECTION III
AGGREGATE EXCESS LOSS COVERAGE**

The Aggregate Excess Loss benefit for the Policy Period, or fraction thereof (due to termination), is the Plan Benefit Payments made for Eligible Expenses during the Policy Period less:

1. the greater of the Minimum Annual Aggregate Attachment Point or the calculated Annual Aggregate Attachment Point; and less
2. the Specific Excess Loss benefits which have been or will be reimbursed by US under the Specific Excess Loss coverage; and less
3. any payments which exceed any limitations of coverage under this Policy or which are excluded under this Policy; multiplied by
4. the Aggregate Reimbursement Percentage.

In no event will the Aggregate Excess Loss benefit exceed the Maximum Aggregate Reimbursement specified under Aggregate Excess Loss Coverage in the Application/Schedule.

If for any reason, YOUR Aggregate Excess Loss coverage terminates before the end of the Policy Period:

1. all coverage under the Policy will end immediately;
2. the Run-Out Period, if any, will not apply; and
3. the Minimum Annual Aggregate Attachment Point shown in the Application/Schedule will continue to apply and will not be reduced.

**SECTION IV
REIMBURSEMENT OF ADDITIONAL COVERAGES**

Plan Benefits which YOU have Paid under YOUR Prescription Drug Card Plan will be considered for reimbursement under Specific Excess Loss Coverage only if shown as included on the Application/Schedule.

Plan Benefits which YOU have Paid under YOUR Prescription Drug Card Plan, Vision Plan, Dental Plan, and/or Weekly Income Plan will be considered for reimbursement under Aggregate Excess Loss Coverage only if shown as included on the Application/Schedule. The most WE will reimburse YOU for Plan Benefits YOU Pay under YOUR Weekly Income Plan, if included for reimbursement, is shown in the Application/Schedule.

SECTION V LIMITATIONS

Actively at Work

WE will not reimburse expenses incurred by individuals who, on the latter of the Effective Date of their coverage under YOUR Plan or the Effective Date of this Policy:

1. are not Actively at Work, unless the Actively at Work requirement has been waived by way of endorsement; or
2. are Disabled Persons, unless disclosed and accepted by US;
3. are excluded by name by way of an attachment to the Application/Schedule or by Endorsement; or
4. are Late Entrants not accepted by US.

Disabled Persons

Expenses incurred will not be eligible to satisfy the Specific Attachment Point or the Annual Aggregate Attachment Point until the day next following the date:

1. the Covered Person, with respect to an employee, returns to work on a full-time basis as defined in YOUR Plan; or
2. the Covered Person is no longer considered a Disabled Person; or
3. the Covered Person meets the eligibility requirements of YOUR Plan.

This limitation only applies to Covered Persons whose coverage under YOUR Plan is effective on or after the Effective Date of this Policy.

Newborn Children

Newborn children of employees who have previously enrolled and continue to cover their eligible dependents under the Plan, and employees who have not previously enrolled for dependent coverage, will be eligible for newborn child coverage as defined within the Plan.

Non-Disclosed Losses

If YOU fail to disclose any required health information on:

1. a Covered Person when YOU make application for this Policy; or
2. on an employee, or a dependent of an employee, of a company YOU acquire or become affiliated with, when such subsidiary or affiliate will be included in YOUR Plan,

then:

1. WE will not reimburse YOU for any Plan Benefits Paid related to the illness or condition that was required to be disclosed;
2. such Paid Plan Benefits may not be used towards satisfaction of the Specific Attachment Point for such Covered Person; and
3. such Paid Plan Benefits may not be used towards satisfaction of YOUR Annual Aggregate Attachment Point.

Retired Employees

WE will reimburse Paid Plan Benefits for Retired Employees and their dependents, who are eligible under the Plan, only if such persons are indicated as included in the Application/Schedule.

COBRA Continuees

With respect to those persons qualifying as COBRA Continuees, and continuing coverage under YOUR Plan as such, prior to, on or after the Effective Date of this Policy, WE will reimburse Paid Plan Benefits for such individuals only if YOU make timely notification to such individuals of their rights to COBRA continuation coverage.

Drug or Alcohol Abuse

If YOUR Plan covers treatment of drug or alcohol abuse, Plan Benefits reimbursable under this Policy for such treatment will be limited to the amount stated in the Application/Schedule.

Medicare Benefits

With respect to Covered Persons who are eligible for coverage under Medicare, any benefit reimbursable to YOU under this Policy shall be reduced by the amount of any similar Medicare benefit paid or reimbursable so that the total reimbursements hereunder with respect to a Covered Person or his or her dependents shall not exceed 100% of such person's actual expenses otherwise reimbursable under this Policy.

Liability for Reimbursement

WE shall not be liable under this Policy to directly reimburse any Covered Person or provider of professional or medical services for any benefits that YOU have agreed to provide under the terms of the Plan. OUR sole liability is to YOU, in accordance with the terms of this Policy. YOU may not assign any Excess Loss benefits to Covered Persons or providers of services.

SECTION VI EXCLUSIONS

WE will not reimburse YOU for any loss or expense caused by or resulting from:

1. expenses incurred while the Plan is not in force with respect to the Covered Person, or for a person not covered under the Plan;
2. expenses covered by Plan changes made prior to OUR written approval of such changes;
3. expenses which result from any prescription card service, mail order prescription plan or any pre-paid prescription drug plan, dental, vision, or weekly income benefits, unless specifically included on the Application/Schedule and approved by US.
4. liability or obligations assumed by YOU under any contract or service agreement other than the Plan;
5. expenses for services or supplies which are in violation of any law;
6. expenses for services or supplies billed above the Usual and Customary Charges for the area where provided, or which are greater than the Plan benefits;
7. expenses resulting from or caused by war, whether declared or undeclared, civil war, invasion, hostilities, riot, or resistance to armed aggression;
8. expenses for the care and treatment of accidental bodily injury or sickness that arise from work or profit, including self-employment;
9. cost of the administration of claims, including cost of investigation, payments, or other service(s) provided by YOUR TPA, consulting fees and/or expenses of any litigation;
10. expenses from an act resulting in a criminal or illegal act;
11. any amount used to satisfy deductibles or coinsurance amounts under the Plan;
12. expenses incurred in connection with suicide or attempted suicide or any self-inflicted injury or illness, whether the Covered Person was sane or insane when he or she committed the act;
13. expenses or costs resulting from noncontractual damages, court costs and legal fees, including but not limited to compensatory, exemplary and punitive damages, fines or statutory penalties;
14. medical expenses in connection with Experimental or Investigational surgery or treatment as defined in this Policy;
15. payments recoverable through YOUR Plan's Coordination of Benefits or similar provision;
16. expenses incurred by an employee or dependent of an employee of any affiliated or subsidiary company not included in the Application/Schedule, unless added by Endorsement;
17. legal expenses and fees including legal expenses and fees incurred on behalf of any Covered Person in obtaining medical treatment or expenses incurred in connection with a judgment or settlement arising out of YOUR negligence in providing, arranging, or failing to provide or arrange a benefit to a Covered Person;
18. payments YOU make under YOUR Plan for services and supplies which are not included in YOUR Plan or which are outside the requirements of YOUR Plan Document or this Policy;
19. payments YOU make under YOUR Plan for persons who must submit proof of good health and who have failed to do so;
20. expenses incurred after the Expiration Date; or
21. in the event the Policy is terminated before the Expiration Date, expenses incurred after the date of such termination;
22. expenses incurred by any COBRA Continuee whose COBRA continuation coverage was not offered in a timely manner;
23. YOUR TPA's failure to provide timely payment to providers which results in non-receipt of any discounted fees for services or supplies. WE will reimburse only for the amount of the discounted amount had timely payment been made by YOUR TPA.

SECTION VII PREMIUMS AND FACTORS

Payment of Premiums

No coverage under this Policy will be in effect until the first premium is paid. For coverage to remain in effect, each subsequent premium must be paid on or before the Premium Due Date. YOU are responsible for the payment of premiums. Payment of the premium to YOUR TPA does not constitute payment of the premium to US. Premium is not considered paid until the premium check is received at OUR Underwriting Office and sufficient funds are transferred from YOUR account into OUR account.

Upon termination of this Policy, or coverage hereunder, if the earned premium exceeds the premium paid, YOU will pay the excess to US; if less, WE will return to YOU the unearned portion of premium paid, subject to the minimum premium, if any, shown in the Application/Schedule.

Grace Period

A Grace Period of 31 days from the due date will be allowed for the payment of each premium after the first premium payment. During the Grace Period, the coverage will remain in effect, provided the premium is paid before the end of the Grace Period. If YOU do not pay the premium during the Grace Period, this Policy will terminate without further notice, retroactive to the date for which premiums were last paid.

Changes in Premium Rates or Factors

WE may change YOUR premium rates and/or Monthly Aggregate Excess Loss Factors on any of the following dates:

1. The date when the terms of this Policy are changed.
2. The date YOU add or delete subsidiary or affiliated companies or divisions with OUR approval.
3. The date YOU change YOUR Plan with OUR written approval.

WE reserve the right to recalculate the premium rates and/or the Monthly Aggregate Excess Loss Factors retroactively for the Policy Period, if there is more than 10% variance between:

1. the number of Covered Units on any premium due date; and
2. the number of Covered Units on the Policy Effective Date.

Otherwise, WE will not change YOUR premium rates or Monthly Aggregate Excess Loss Factors during the Policy Period.

SECTION VIII TERMINATION

This Policy and all coverage hereunder will end upon the earliest of the following:

1. At the end of any period for which the premium is paid, if the subsequent premium is not paid as provided in the Grace Period provision.
2. On the date YOU tell US YOU want to cancel this Policy, provided YOU have given US at least 31 days advance written notice. If YOU cancel within 30 days after the Effective Date, YOU may ask for a full refund of the premium. If YOU do so, the Policy will terminate on the Effective Date. If YOU cancel the Policy after more than 30 days, WE may keep the premium earned to the date of termination.
3. The Expiration Date of this Policy.
4. On the Effective Date if, within 60 days after the Effective Date:
 - a. YOU fail to provide US any information or materials requested by US; or
 - b. YOU fail to comply with any condition imposed by US when this Policy is issued.If so, WE will return the premium paid by YOU, less the amount of any reimbursements WE made to YOU before the time the Policy was terminated. If the amount reimbursed to YOU exceeds the premium paid to US, YOU will pay US the difference.
5. The date the Plan terminates.
6. The date the administrative agreement between YOU and YOUR TPA terminates, unless WE consent in writing to YOUR naming of a new TPA.
7. The last day of the third consecutive month during which YOU fail to maintain the Minimum Plan Enrollment as stated in the Application/Schedule, unless WE agree in writing to continue coverage;

8. The date YOU:
 - a. suspend active business operations; or
 - b. are placed in bankruptcy or receivership; or
 - c. dissolve.
9. Any date on which YOU do not pay claims or make funds available to pay claims as required by the Plan.

Concealment or Fraud

This entire Policy will be void:

1. if, before or after a claim or loss, YOU or YOUR TPA have concealed or misrepresented any material fact or circumstance concerning this Policy, including any claim; (This includes failure to provide the required disclosure of health history of Disabled Persons, Large Claims or Potentially Catastrophic Losses.) or
2. in any case of fraud by YOU or YOUR TPA relating to this coverage.

SECTION IX REINSTATEMENT

WE may, at OUR option, approve YOUR request to reinstate this Policy. YOU shall submit to US any forms and data WE may require, including YOUR representation as to losses incurred or Paid as of the date of YOUR request for reinstatement. If this Policy is reinstated, YOU shall pay to US the premiums due from the date this Policy terminated.

SECTION X CLAIM PROVISIONS

Administration of Claims Under YOUR Plan

WE have no duty to settle or adjust claims filed under YOUR Plan. YOU must retain and pay a TPA at all times. No one, including YOU, may pay benefits for YOUR Plan unless named as the TPA on YOUR Application/Schedule and approved by US. WE will not reimburse YOU for Plan Benefits resulting from benefits paid by someone not authorized to do so.

YOU must make available sufficient funds to pay benefits when due.

The TPA shall:

1. supervise the administration and adjustment of all claims and verify the accuracy and computation of all claims, in accordance with the Plan;
2. maintain accurate records of all claim payments;
3. maintain separate records of expenses not covered; and
4. provide US, on or before the 15th day of each Policy Month, the following data for the preceding Policy Month:
 - a. number of Covered Persons and/or Covered Units; and
 - b. a total of claims paid.

Management of Large Claims (LC's) and Potentially Catastrophic Losses (PCL's)

Notice of LC - YOU or YOUR TPA must notify US of any LC (regardless of whether charges have been Paid or are pending payment) within 10 days of the date the claim exceeds or it appears that the claim will reach or exceed the defined limits for a LC.

Notice of PCL - YOU or YOUR TPA must notify US of any PCL within 10 days of receiving any information indicating that the claim (regardless of whether charges have been Paid or are pending payment) is potentially catastrophic. (See Exhibit I of this Policy.)

Failure to Notify - If for any reason a LC or PCL is not properly submitted to the TPA, YOU shall promptly notify the TPA of the claim. In the event YOU or YOUR TPA fails to follow the notification requirements set forth in this provision, YOUR losses related to such LC or PCL will not be considered for reimbursement under this Policy.

If YOU receive information that any claim may be or become a PCL, YOU will immediately notify YOUR TPA.

Notice of Claim

Specific Excess Loss - YOU must give written notice of claim to US within 30 days of the date YOU become aware of claims, with respect to a Covered Person, that have reached 50% of the Specific Attachment Point; however, LC's and PCL's should be reported within the time frame specified in the previous paragraph.

Aggregate Excess Loss - YOU must give written notice of claim to US within 30 days of the date YOU become aware of claims that have reached the Annual Aggregate Attachment Point.

YOUR failure to furnish written notice within 30 days will not invalidate or reduce any claim if it was not reasonably possible to provide written notice within such time. However, written notice must be furnished as soon as possible, but in no event later than one year after the date written notice is first required.

YOU or YOUR TPA shall submit on a timely basis all proofs of claims, reports and supporting documents WE may request.

Proof of Loss

Written proof of loss must be submitted within 60 days after the date of loss. Late proof will be accepted only if it is shown to have been furnished as soon as reasonably possible and within one year of the date of loss.

Payment of Claims

Amounts payable under this Policy will be paid upon receipt and acceptance by US of all the required material. Required material shall include proof of loss and proof of payment for eligible Expenses under the Plan and any reasonably requested supporting documentation. WE will have sole authority to reimburse or deny claims under this Policy.

Benefit Determination

Determination of benefits under YOUR Plan is YOUR sole responsibility. WE have no duty to settle or adjust claims filed under the Plan with YOU or YOUR TPA. WE have the right to review each claim YOU submit to US for reimbursement, to determine if YOU are entitled to reimbursement. Only WE have the authority to reimburse losses covered by this Policy.

Notice of Appeal

Any objection, notice of legal action, or complaint received on a claim processed under YOUR Plan on which it reasonably appears an Excess Loss benefit will be payable to YOU under this Policy shall be brought to the immediate attention of OUR Underwriting Office.

SECTION XI GENERAL PROVISIONS

Taxes

If premium taxes should be assessed against YOU with respect to claims Paid under YOUR Plan, YOU shall hold US harmless from any tax liability.

Entire Contract

This entire contract consists of:

1. this Policy, including any Endorsements;
2. YOUR Application/Schedule and any attachments thereto, a copy of which is attached to this Policy; and
3. a copy of YOUR Plan.

All statements made by YOU or any Covered Person are, in the absence of fraud, understood to be representations and not warranties. Such statements will not be used to contest coverage unless contained in the Application/Schedule or any attachments to the Application/Schedule.

In case of a conflict between the Plan and this Policy, this Policy will prevail. WE have relied on the information YOU provided to issue this Policy. YOU represent such information is accurate. Should WE later learn such information was not correct, or in case of a substantial change in such information, WE may modify the Policy as of the Effective Date to reflect the correct information. Or, WE may terminate the policy on written notice as of the next premium due date.

Policy Nonparticipating

This policy does not entitle YOU to share in OUR earnings.

Records and Review

YOU and/or YOUR TPA must:

1. keep appropriate records regarding administration of YOUR Plan; (YOUR records include records held by YOUR TPA.)
2. allow US to review and copy, during normal business hours, all records affecting OUR liability under this Policy;
3. maintain records of all Covered Persons under the Plan during the Policy Period and for a period of seven years after the termination of this Policy; and
4. maintain a separate record of any and all amounts YOU pay that exceed or are not covered by the benefits under YOUR Plan.

As a result of any audit, WE may readjust premiums, attachment points or reimbursements to YOU as may be necessary to reflect YOUR and OUR original intent in issuing this Policy.

Clerical Error

If YOU or WE make a clerical error keeping records or calculating premiums or claims pertaining to this Policy, it will not invalidate this Policy. A clerical error will not expand OUR obligations under this Policy. A clerical error is a mistake in performing a clerical function, and does not include intentional acts or failure to comply with Plan or Policy provisions. A clerical error is not the failure to disclose the required disclosure of health history of Disabled Persons, Large Claims or Potentially Catastrophic Losses.

Changes to This Policy

Changes to this Policy may be made only by a Company officer or OUR Underwriting Office, with OUR approval. Any change must be by written Endorsement.

Changes to YOUR Plan

WE must be notified of any change to the Plan. This notice must be in writing and provided to US at least 31 days prior to the effective date of the change. WE must approve the change in writing before coverage affected by this change will be provided by this Policy. If WE do not receive advance written notice of the change, or WE decline coverage of the changes under this Policy, WE will be liable only for benefits provided by the Plan prior to the change. YOU must provide US with a copy of YOUR written Plan and all amendments prior to the time the change becomes effective.

Subsidiaries, Affiliated Companies Under YOUR Plan

YOU must notify US in the event YOU acquire a subsidiary or affiliated company that will be included under YOUR Plan. If YOU do acquire a subsidiary or affiliated company that will be included under YOUR Plan, YOU must disclose certain required health history on persons whose coverage YOU will be assuming under YOUR Plan. Failure to do so will subject benefits under this Policy to certain limitations, as described in "Non-Disclosed Losses," in Section V.

Acquisition of a subsidiary or affiliated company that will be included under YOUR Plan may affect YOUR premium rates and/or Monthly Aggregate Excess Loss Factors, as described in "Changes in Premium Rates or Factors," in Section VII.

YOU must notify US in the event YOU cede or dissolve a subsidiary or affiliated company that was included under YOUR Plan. Failure to do so may subject this Policy to termination (if Minimum Plan Enrollment is not maintained), or may affect YOUR premium rates and/or Monthly Aggregate Excess Loss Factors, as described in "Changes in Premium Rates or Factors," in Section VII.

Duties and Responsibilities of YOUR Designated Third-Party Administrator (TPA)

YOUR TPA must be approved by US.

WE agree to recognize YOUR TPA as YOUR agent for the administration of YOUR Plan. YOU agree that YOUR TPA will:

1. audit, calculate and pay all claims eligible under the Plan;
2. prepare reports required by US and keep and make available to US data WE may require; and
3. do what is necessary for YOU to comply with the terms of this Policy.

If YOU give YOUR TPA a Power of Attorney, or revoke a Power of Attorney, neither is binding on US until WE receive it.

YOU will pay YOUR TPA for all administrative functions performed in relation to this Policy.

YOUR TPA is YOUR agent and not OURS. YOU authorize YOUR TPA to:

1. submit Notice/Proof of Loss;
2. certify the payment of claims;
3. transmit reports and payment of premiums to US; and
4. receive payments from US.

Payments by US to YOUR TPA are payments to YOU.

All premium payments will be made payable to US, not YOUR TPA.

Notice

For the purpose of any notice required from US under the terms of this Policy, notice to YOUR TPA is notice to YOU and notice to YOU is notice to YOUR TPA.

Disclaimer

WE act only as a provider of Excess Loss Insurance coverage to YOUR Plan. WE are not a fiduciary. WE do not assume any duty to perform any of the functions or provide any of the reports required by the Employee Retirement Income Security Act of 1974, as amended.

WE have no right or obligation to pay any Covered Person or provider of professional or medical services. OUR sole liability is to YOU, subject to the terms and conditions of this Policy. Nothing in this Policy shall be construed to permit a Covered Person to have a direct right of action against US. WE will not be considered a party to YOUR Plan or to any supplement or amendment to it.

Indemnification, Defense and Hold Harmless

YOU agree to indemnify, defend and hold US harmless from:

1. any liability related to any negligence, error, omission or defalcation by YOUR TPA;
2. any liability related to:
 - a. any dispute involving a Covered Person unless it is a result of OUR sole negligence or intentional wrongful acts; and
 - b. any State premium taxes WE are assessed with respect to funds paid by or to YOU under YOUR Plan. Taxes on amounts paid to US as premiums for this Policy are excluded.

WE will notify YOU if YOU have obligations. WE may participate in the defense at OUR expense. If YOU do not act promptly, WE may defend and compromise or settle the claim or other matter on YOUR behalf, for YOUR account, and at YOUR risk.

Offset

WE may offset payments due YOU under this Policy against claim overpayments and premiums due and unpaid.

Assignment

YOU may not assign any of YOUR rights under this Policy.

Severability

Any clause deemed void, voidable, invalid, or otherwise unenforceable, whether or not such a provision is contrary to public policy, will not render any of the remaining provisions of this Policy invalid.

Insolvency

The insolvency, bankruptcy, financial impairment, receivership, voluntary plan or arrangement with creditors, or dissolution of YOU or YOUR TPA:

1. will not impose upon US any liability or additional duties other than those defined and provided for in this Policy; (For example, WE will have no responsibility to pay claims for YOUR Plan to ensure reimbursement under this Policy.) and
2. will not make US liable to YOUR creditors, including Covered Persons.

Claims under YOUR Plan must continue to be funded and Paid within contractual time frames in order to be eligible for reimbursement under this Policy.

Parties To This Policy

YOU and WE are the only parties to this Policy. OUR sole liability under this Policy is to YOU. This Policy does not create any right or legal relation between US and a Covered Person under YOUR Plan. This Policy will not make US a party to any agreement between YOU and YOUR TPA.

Physical Examination and Medical Evidence

WE may require any medical evidence or other information, including a physical examination or health statement, regarding any Covered Person:

1. who submits an enrollment card for coverage under the Plan more than 31 days after completing the waiting period specified in the Plan. Such examination shall be provided without expense to US; or
2. for whom YOU have Paid a claim under the Plan and submitted such claim for reimbursement under this Policy. Such examination or evidence shall be provided as often as is reasonably necessary.

EXHIBIT I

Potentially Catastrophic Losses (PCL's). Claims which qualify as PCL's are listed below. WE reserve the right to add to or delete from this list of PCL's with 31 days advance written notice to YOU.

HIGH RISK PREGNANCY AND PRE-TERM/NEONATAL

- Premature births - weighing under four pounds and/or less than 36 weeks gestation
- Multiple births (three or more infants) or expected multiple births
- Abnormal respiration/respiratory failure (APNEA)
- Congenital heart defects:
 - Ventricular and atrial septal
 - Patent ductus arteriosus
- Congenital disorders:
 - Spina-Bifida
 - Encephalocele
 - Cephalohematoma
 - Hyaline Membrane Disease
- Birth injuries or major birth traumas
- Congenital Anomalies of Digestive System
- Lack of Expected Normal Physiological Development
- Maternal causes of Prenatal Morbidity and Mortality
- Other conditions originating in the Perinatal Period

CATASTROPHIC DISEASES AND ILLNESSES

- Renal dysfunction/failure, including dialysis treatment
- Cerebral vascular accident (stroke)
- Diabetes with complications

TRAUMA

- Spinal cord injuries
- Coma
- Massive internal injuries
- Traumatic brain injury
- Brain lesion or tumors
- Multiple or serious fractures
- Severe burns (10% or more of the body with 3rd degree burns, or 30% of the body with 2nd degree burns)
- Trauma to the elderly or chronically ill
- Paralysis of any kind

DISEASE OF THE HEART AND PERICARDIUM

- Myocardial infarction
- Myocarditis
- Coronary Artery Disease
- Multiple Bypass
- Cardiomyopathy

CANCER

HIV Positive or AIDS (Acquired Immune Deficiency Syndrome) Related Illnesses, such as:

- Kaposi's sarcoma
- Cytomegalovirus
- Pneumocystis carinii pneumonia

ORGAN, TISSUE, BONE MARROW, OR STEM CELL TRANSPLANT EVALUATION, PROCEDURE OR SURGERY

EXTENDED ILLNESS OR INJURY

- Chronic Liver Disease
 - Multiple Sclerosis or Muscular Dystrophy or Cystic Fibrosis or Cerebral Palsy or Degenerative Muscular Disease
 - Any illness or injury which requires intensive and prolonged treatment (such as nutritional support systems, intravenous therapies, and ventilators)
-
- Continuous hospitalization of 2 weeks or more
 - Amputations
 - Any serious condition which the Employer or the TPA thinks may require Large Claim Management.
 - Home health care greater than 20 days
 - Hospitalization of \$40,000 or more
 - Interim/Cycle hospital billings
 - Hospitalization during pregnancy, prior to delivery, or for high-risk pregnancy.
 - Mental disorders requiring hospital confinement
 - Hepatitis C
 - Multiple hospitalizations of three or more per year.
 - Inpatient admission greater than 10 days.

 **American Fidelity
Assurance Company**

A member of the American Fidelity Group

(Company, WE, US, OUR)

2000 N. Classen Boulevard, Oklahoma City, Oklahoma 73106

APPLICATION/SCHEDULE FOR EXCESS LOSS POLICY

1. Full legal name of Policyholder (YOU, YOUR):
City of Long Beach
(as it will appear in the Policy)
2. Principal Office Address:
333 West Ocean Blvd; Long Beach California 90802
(street) (city) (state) (zip)
3. Contact Person: Cathy Chase and/or Dora Hogan
4. Nature of Business: City Government
5. If Employee Welfare Benefit Plans of subsidiary or affiliated companies (companies under common control through stock ownership, contract, or otherwise) are to be included, list legal names and addresses of such companies and the nature of their business:

6. Full name of YOUR Employee Welfare Benefit Plan:

A copy of YOUR ERISA Employee Welfare Benefit Plan Document, and those of any subsidiary or affiliated companies that are to be included, must be attached to, and shall form a part of, this Application/Schedule. If YOUR Employee Welfare Benefit Plan is for a MEWA (Multiple Employer Welfare Arrangement) or an MET (Multiple Employer Trust), YOUR Application/Schedule will not be accepted for consideration unless YOU provide a clear and concise statement from the U.S. Department of Labor that it is exempt from ERISA requirements.
7. Requested Effective Date: December 1, 2007
8. Requested Endorsements: AMD-8025 AMD-8026
9. OUR Underwriting Manager: Elite Underwriting Services
10. YOUR Designated Third-Party Administrator (for the purposes of claims administration under YOUR Employee Welfare Benefit Plan):
Name: Great West
Address: 8515 East Orchard Road
City, State, Zip: Greenwood Villiage , Colorado 80111
Telephone: 832-251-5642
11. YOUR broker/agent of record:
Name: Alliant Insurance Services, Inc./Michelle Gallardo
Address: 1301 Dove Street; Suite 200
City, State, Zip: Newport Beach, California 92660-2436
Telephone: 949-809-1426

12. **COVERAGES REQUESTED / SCHEDULE**

The Coverage shown applies only during the Policy Period from December 1, 2007 (Effective Date) through December 31, 2008 (Expiration Date) and is further subject to all the provisions of the Policy.

A. **SPECIFIC EXCESS LOSS COVERAGE** Yes, included No, not included

1) Coverages to be included:

Yes No

 Medical

 Prescription Drug Service: _____

NOTE: In no event will Dental, Vision, or Weekly Income be included under Specific Excess Loss.

2) Specific Attachment Point (unless adjusted by Endorsement):

Per Covered Person: \$ 500,000.00

Per Covered Family: \$ _____

3) Specific Reimbursement Percentage: 100 %

4) Specific Lifetime Maximum Reimbursement per Covered Person: \$ 4,500,000.00

Of this amount, reimbursement for treatment of drug or alcohol abuse will be limited to:

\$ _____

_____ days

_____ days, up to \$ _____

Treatment of drug or alcohol abuse considered as any other illness

5) Basis of Specific Excess Loss coverage benefit payment (Benefit Period):

Plan Benefits Incurred from December 1, 2007 through December 31, 2008
and Paid from December 1, 2007 through March 31, 2009

Plan Benefits Incurred prior to the Effective Date (Run-In Period) will be limited to:

\$ N/A per Covered Person

\$ N/A for all Covered Persons combined

6) Premium Rates (per month):

<i>Covered Unit Description</i>	<i>Amount</i>	<i>Covered Unit Description</i>	<i>Amount</i>
Employee Composite	: \$ <u>8.55</u>	_____	: \$ _____
_____	: \$ _____	_____	: \$ _____

7) Minimum Annual Specific Premium: \$ N/A*

*Retirees over age 65 are Medicare Primary.

B. **AGGREGATE EXCESS LOSS INSURANCE** Yes, included No, not included

1) Coverages to be included:

Yes	No	
<input type="checkbox"/>	<input type="checkbox"/>	Medical
<input type="checkbox"/>	<input type="checkbox"/>	Dental
<input type="checkbox"/>	<input type="checkbox"/>	Vision
<input type="checkbox"/>	<input type="checkbox"/>	Prescription Drug Service: _____
<input type="checkbox"/>	<input type="checkbox"/>	Weekly Income: Maximum _____, per covered employee per Policy Period.
<input type="checkbox"/>	<input type="checkbox"/>	Other: _____

2) Monthly Aggregate Factor:

<i>Covered Unit Description</i>	<i>Medical</i>	<i>Dental</i>	<i>Vision</i>	<i>Prescription Drug Service</i>	<i>Weekly Income</i>	<i>Totals</i>
_____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
_____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
_____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
_____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____

3) Number of Covered Units: Quoted Actual

<i>Covered Unit Description</i>	<i>Medical</i>	<i>Dental</i>	<i>Vision</i>	<i>Prescription Drug Service</i>	<i>Weekly Income</i>
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____

4) Minimum Annual Aggregate Attachment Point: \$ _____
(12 times Monthly Aggregate Factor(s), times total Number of Covered Units)

5) Aggregate Reimbursement Percentage: 100 %

6) Individual Claim Limit: \$ _____

7) Maximum Aggregate Reimbursement (per Policy Period): \$ _____

8) Basis of Aggregate Excess Loss coverage benefit payment (Benefit Period):
Plan Benefits Incurred from _____ through _____
and Paid from _____ through _____.

Plan Benefits Incurred prior to the Effective Date (Run-In Period) will be limited to:

\$ _____ per Covered Person
 \$ _____ for all Covered Persons combined

9) Premium Rates (per month):

<i>Covered Unit Description</i>	<i>Amount</i>	<i>Covered Unit Description</i>	<i>Amount</i>
_____	: \$ _____	_____	: \$ _____
_____	: \$ _____	_____	: \$ _____

10) Minimum Annual Aggregate Premium \$ _____

13. Eligible for coverage:

- | | | |
|-------------------------------------|--------------------------|--------------------|
| Yes* | No | |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | Retired Employees |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | COBRA Continuees |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | Disabled Employees |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | Transplants |

* All "Yes" answers must have disclosure information attached to this Application/Schedule.

14. Initial premium deposit accompanying the application: \$ 37,988.00

15. Minimum Plan Enrollment: _____ Covered Units, or 75 % of initial enrollment

YOU have read the foregoing and understand and agree with the terms and conditions of the coverage as set forth by US and as reflected in this Application/Schedule. YOU represent that YOU have formed YOUR Employee Welfare Benefit Plan in compliance with and in reliance on the applicable provisions of the Employee Retirement Income Security Act of 1974 (ERISA), as amended, or any other applicable law or regulation. It is agreed that the statements in this Application/Schedule or in any materials submitted with this Application/ Schedule or attached to it are YOUR representations and shall be deemed material to acceptance of the risk by US and that the Policy is issued by US in reliance on the truth and accuracy of such representations. Should subsequent information become known which, if known prior to issuance of the Policy, would affect the premium rates, factors, terms or conditions for coverage thereunder, WE will have the right to revise the premium rates, factors, terms or conditions as of the Effective Date, by providing written notice to YOU. Any fraudulent statement will render the Policy null and void and claims, if any, will be forfeited.

THIS APPLICATION DOES NOT BIND COVERAGE. Upon approval of the application, the Policy evidencing that the coverage is in force will be issued by US through OUR Underwriting Manager. Coverage will commence on the Effective Date set forth in the Policy.

WARNING: Any person who knowingly, and with intent to injure, defraud or deceive any insurer, makes any claim for the proceeds of an insurance policy containing any false, incomplete or misleading information may be guilty of insurance fraud.

ACCEPTED BY THE POLICYHOLDER:

Signed at Long Beach, CA

Date July 28 2008

City of Long Beach
Policyholder (correct legal name)

Patrick H. West, City Manager
By (Officer's name and title)

[Signature] **Assistant City Manager**
Policyholder's Broker/Agent of Record

[Signature] (COO)
Russell R. Naylor
On behalf of the Company

ACCEPTED BY THE COMPANY:

Signed at Exton, PA

Date January 8, 2008

Russell R. Naylor - President
By (Officer's name and title)

APPROVED AS TO FORM

July 11, 2008
ROBERT E. SHANNON, City Attorney
BY [Signature]
Deputy City Attorney



A member of the American Fidelity Group

2000 N. Classen Boulevard, Oklahoma City, Oklahoma 73106

Waiver of Actively-at-Work Requirement; Elimination of Suicide Exclusion

- 1. Section V, Limitations, is hereby amended to waive the Actively at Work requirement.

The waiving of this requirement is based on the employer and the claims administrator performing thorough due diligence in completing the disclosure. This consists of consulting with all parties, including but not limited to, Pre-Certification, Utilization Review, and Large Case Management departments, leave of absence records and disability records. Any material misrepresentation which alters the risk, whether intentional or unintentional, may result in denial of claims, revised terms and conditions, and/or the exclusion of participants in the plan(s) under the Policy.

Disclosure is not required on persons whose coverage becomes effective under YOUR Plan after the Effective Date of the Policy, except with respect to employees (and their dependents) of an affiliated or subsidiary company that is not listed in the Application/Schedule or added to the Policy by Endorsement. (See provision entitled "Subsidiaries, Affiliated Companies Under YOUR Plan" in Section XI, General Provisions.)

- 2. Section VI, Exclusions, is hereby amended to eliminate item 12. Claims resulting from suicide, attempted suicide, or any self-inflicted injury or illness of a Covered Person will be covered to the extent they are covered under the Plan.

THERE ARE NO POLICY CHANGES UNDER THIS ENDORSEMENT OTHER THAN THOSE STATED ABOVE.

Signed for AMERICAN FIDELITY ASSURANCE COMPANY

[Handwritten signature of Secretary]

Secretary

APPROVED AS TO FORM

July 11, 2008
ROBERT E. SHANNON, City Attorney

BY [Handwritten signature]
Deputy City Attorney

Endorsement Number: 1

Effective Date: December 1, 2007

Excess Loss Policy Number: AFA-SLP-2007-1139-ELITE

Policyholder Name: City of Long Beach

Signature of Policyholder's Authorized Representative: [Handwritten signature] Assistant City Manager

Authorized Representative's Title: City Manager

Date Signed: 7.28.08

EXECUTED PURSUANT TO SECTION 301 OF THE CITY CHARTER.

American Fidelity Assurance Company

A member of the American Fidelity Group

2000 N. Classen Boulevard, Oklahoma City, Oklahoma 73106

Specific Advance Option

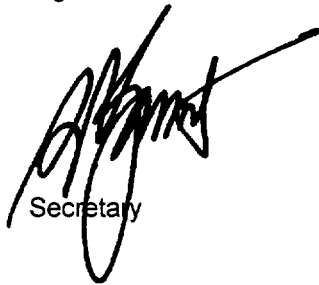
This provision is only applicable if indicated as included on the Application/Schedule.

1. AVAILABILITY OF SPECIFIC ADVANCE. The Specific Advance is available when a Policyholder's Plan sustains losses that:
 - a. exceed the Specific Attachment Point, plus \$1.00;
 - b. are determined in accord with the Policyholder's Plan Document; and
 - c. are processed for payment before the Policy Period ends.
2. REQUEST FOR SPECIFIC ADVANCE. To receive a Specific Advance, the Policyholder must send the Company a written request, along with proof that the Policyholder has paid up to the Specific Attachment Point plus \$1.00 and any other required documentation. The Company must receive this proof prior to the end of the Policy Period.
3. USE OF REIMBURSEMENT. Within five calendar days after receiving the Company's reimbursement, the Policyholder must:
 - a. pay the benefits described in 1.; and
 - b. deposit the Company's reimbursement draft.
 In no event may the Company's reimbursement draft be deposited before the benefits described in 1. have been paid. If the benefits are not paid within the five-day period, the reimbursement draft must be returned to the Company. The Policyholder must supply proof of such benefit payments, at the Company's request.
4. REFUND OF ANY UNUSED AMOUNT. If, for any reason, part of the reimbursement is not used to pay the eligible losses described in 1., then the Policyholder must refund the unused amount to the Company. This refund must be made within five business days after receiving the Company's reimbursement draft.

If the Policyholder fails to comply with the above conditions, the Policyholder's right to receive the Specific Advance shall be revoked. The Company does not waive any rights under this Excess Loss Insurance Policy by adding this provision.

By YOUR authorized representative's signature below, YOU are verifying that YOU have read and understand the terms of this Endorsement, and YOUR obligations hereunder.

Signed for AMERICAN FIDELITY ASSURANCE COMPANY


Secretary

APPROVED AS TO FORM

July 11, 2008
ROBERT E. SHANNON, City Attorney

BY 
Deputy City Attorney

Endorsement Number: 2

Effective Date: December 1, 2007

Excess Loss Policy Number: AFA-SLP-2007-1139-ELITE

Policyholder Name: City of Long Beach

Signature of Policyholder's Authorized Representative:  Assistant City Manager

Authorized Representative's Title: City Manager

Date Signed: 7.28.08

**EXECUTED PURSUANT
TO SECTION 301 OF
THE CITY CHARTER.**