

Overview of CIBA Programs

Innovation in commercial
insurance programs

NorthStar 
Risk Management & Insurance Services


Insurance Services

WHAT IS CIBA?

CIBA Insurance Services, established in 1993, provides commercial real estate insurance programs to property owners, managers, associations and affinity groups.

Our Mission: To continue to be the industry leader in providing owners and managers of commercial real estate comprehensive and competitively priced programs for risk management.

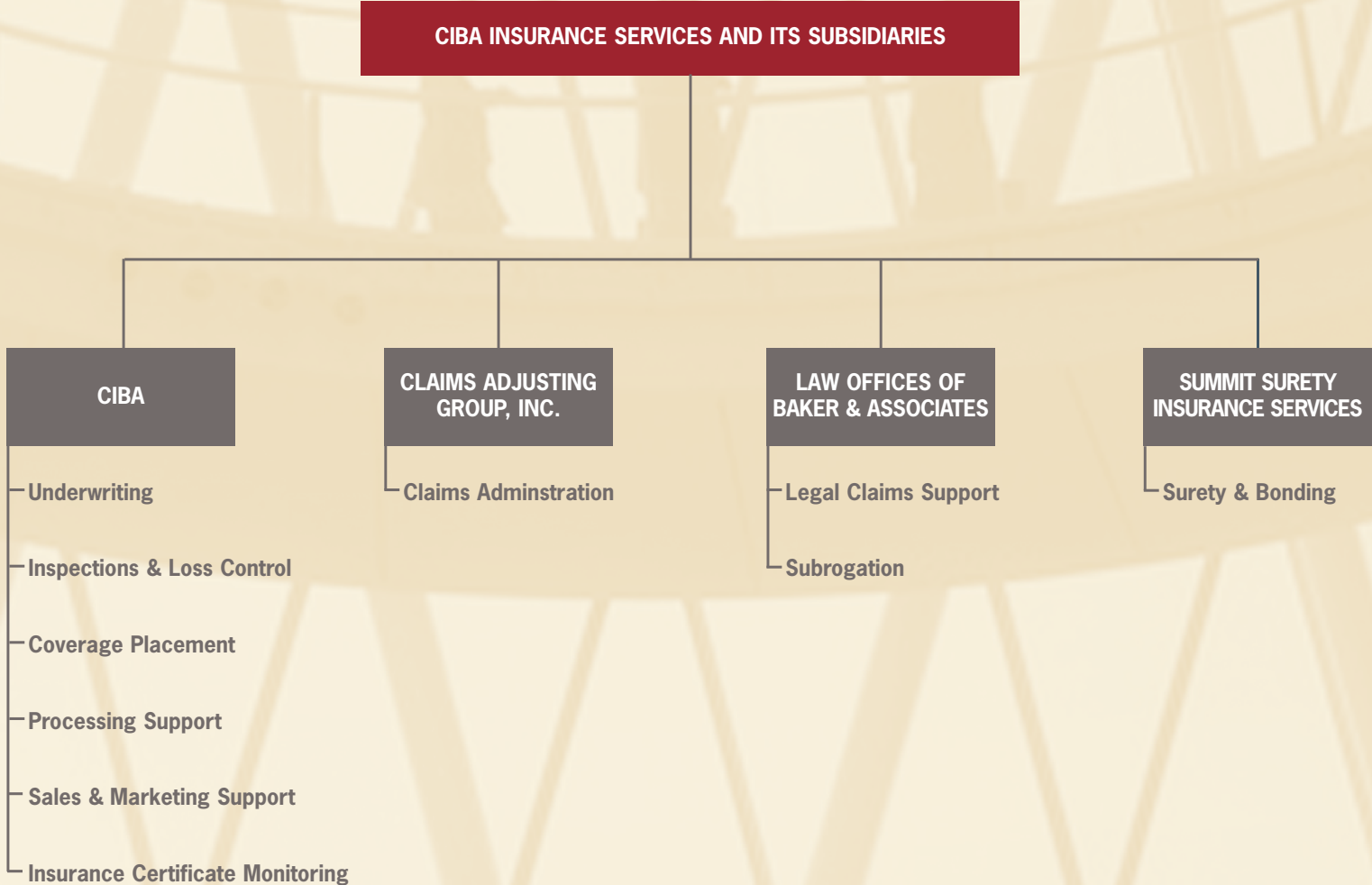
Program coverage limits are established, continuously monitored and adjusted, if necessary, to ensure that each participant's purchased coverages are available to protect their commercial real estate investment.

CIBA PROGRAM



- States CIBA Programs is available
- Regional Offices

CIBA INSURANCE SERVICES AND ITS SUBSIDIARIES

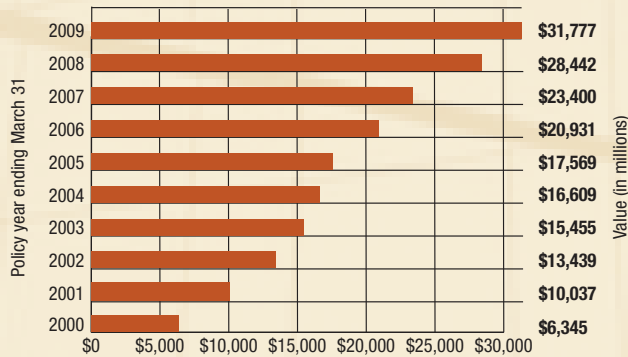


HISTORY OF CIBA

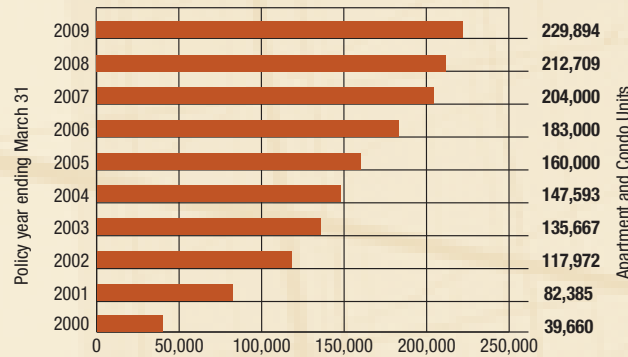
The steady and controlled Program growth has allowed CIBA to continue its goal of maximizing the benefits of group purchasing and expanded coverage.

CIBA I Program

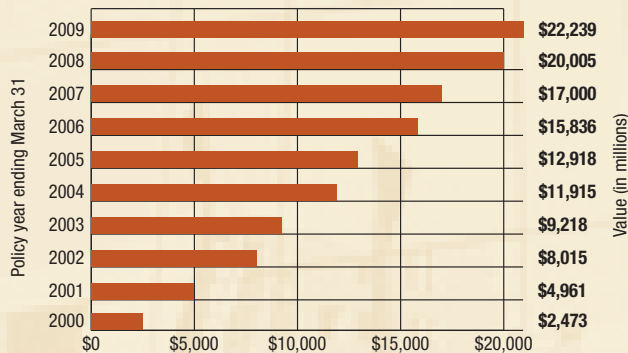
Total Insured Values – All Programs



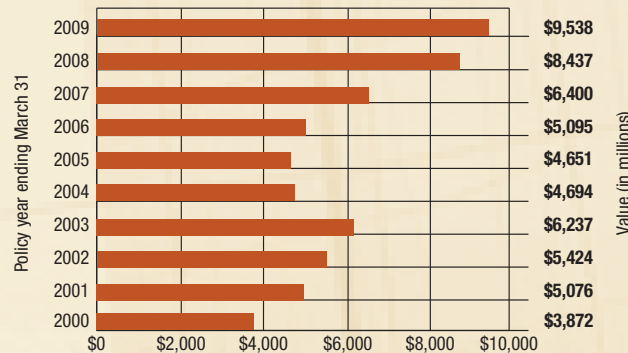
Residential Program – Number of Apartment & Condo Units



Total Insured Values – Residential Programs

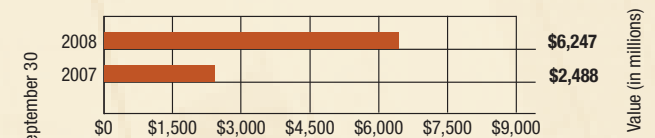


Total Insured Values – Custom & Industrial Programs

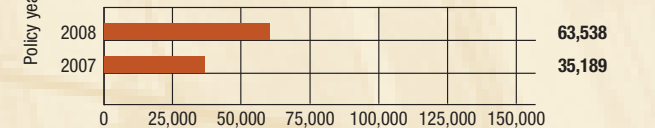


CIBA II Program

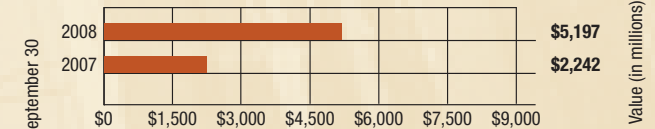
Total Insured Values



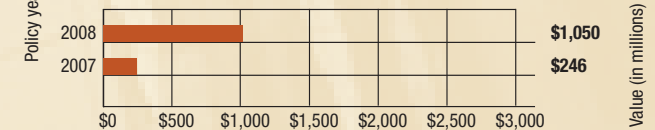
Residential Program – Number of Apartment & Condo Units



Total Insured Values – Residential



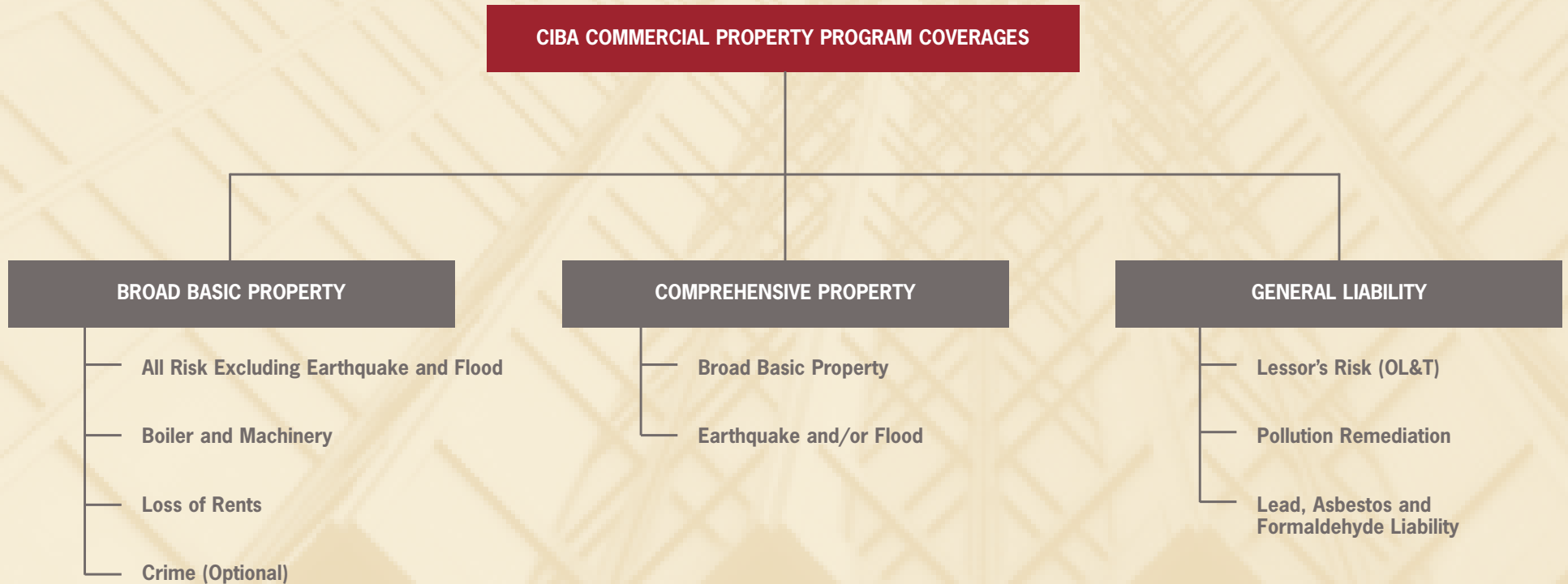
Total Insured Values – Custom & Industrial



CIBA COMMERCIAL PROPERTY & LIABILITY PROGRAMS



CIBA COMMERCIAL PROPERTY PROGRAM COVERAGES



CIBA I PROGRAM COVERAGES & LIMITS

PROGRAM COVERAGES	MARCH 31, 2010 TO MARCH 31, 2012 PROGRAM LIMITS
PROPERTY	
All Risk Excluding Earthquake & Flood	
Residential Program	\$1,000,000,000 Per Occurrence, Automatic Reinstatement
Industrial & Custom (HPR) Program	\$1,000,000,000 Per Occurrence, Automatic Reinstatement
Asbestos	Up to \$25,000 Per Occurrence
Mold	\$10,000 Per Occurrence
Boiler & Machinery	
Residential	\$50,000,000 Per Occurrence
Industrial & Custom (HPR) Program	\$50,000,000 Per Occurrence
LIABILITY	
Lessor's Risk Primary General Liability	\$1,000,000 Per Occurrence / \$2,000,000 Per Location Aggregate
Pollution Remediation & Pollution Liability (Including Lead, Asbestos & Formaldehyde)	\$250,000 Per Occurrence / \$500,000 Shared Annual Aggregate
Hired & Non Owned Auto – Business	\$1,000,000 Per Accident / Subject to \$2,000,000 General Aggregate
OPTIONAL COVERAGES	
Earthquake & Flood (3-31-10 to 3-31-11)	
Residential A	Up to \$5,000,000 Per Location Limit
Residential B	Up to \$5,000,000 Per Location Limit
Industrial & Custom A	Up to \$5,000,000 Per Location Limit
Industrial & Custom B	Up to \$5,000,000 Per Location Limit
Flood Only (3-31-10 to 3-31-11)	Up to \$5,000,000 Per Location Limit
Dedicated Excess General Liability Layer 1	\$10,000,000 Per Location Per Occurrence / Annual Aggregate
Dedicated Excess General Liability Layer 2	\$15,000,000 Per Location Per Occurrence / Annual Aggregate
Shared Excess General Liability Layer 3	\$50,000,000 Per Location Per Occurrence / \$100,000,000 Shared Annual Aggregate
Crime	Up to \$25,000 Per Occurrence / \$250,000 Shared Annual Aggregate
HOA/Condo D&O	Up to \$10,000,000 Annual Aggregate Available

COMPARISON OF POLICY BENEFITS

Between CIBA Program and ISO General Forms • Residential Property & Other Coverages

POLICY BENEFIT	CIBA	ISO
Property Coverage		
Roadways, Walks, Patios, or Other Paved Surfaces	Covered	Excluded
Retaining Walls	Covered	Excluded
Underground Pipes, Flues, or Drains	Covered	Excluded
Foundations of Buildings & Structures	Covered	Excluded
Fences	Included in Policy Limit; All Risk	\$1000
Debris Removal	\$5,000,000 Limit	25% Loss
Fire Fighting	\$100,000 Limit	\$1000 Limit
Pollutant Clean-up	\$100,000 Limit, Except Asbestos Removal	\$10,000 Limit
Asbestos Removal & Testing	\$25,000 Limit From Covered Peril	Excluded
Trees, Shrubs & Plants	Up to \$250,000 Limit	\$1,000 Limit
Signs	Included in Policy Limit	\$1,000 Limit
Increased Cost of Construction	Up To \$10,000,000 Limit	\$10,000 Limit
Vacant Buildings	Available With Higher Deductibles	60 Days With Named Peril
Service Interruption	\$1,000,000 Including T&D (Within 5 Miles)	Conditionally Excluded
Extended Period of Indemnity — Loss of Rents	12 Months	30 Days
Mold/Fungus	\$10,000 Limit From Covered Peril	Conditionally Excluded
Collapse	Covered	Conditionally Excluded
Boiler & Machinery	\$50,000,000 Limit	Conditionally Excluded
Additional Coverages Included With Liability		
Pollution Remediation (Including Lead, Asbestos & Formaldehyde Liability)	\$250,000 Per Occurrence Limit; \$500,000 Program Aggregate	Excluded
Hired & Non Owned Auto—Business Use	\$1,000,000 Per Accident / Subject to General Aggregate	Excluded

Note: Individual CIBA Policy Holder Coverages May Vary

NorthStar
Risk Management & Insurance Services



CIBA'S EARTHQUAKE & FLOOD PROGRAM

CIBA's Earthquake & Flood optional coverages began in 1994 and have developed into a stable program for owners and managers of commercial real estate and their lenders.

The Program is structured into six separate coverage towers with the following shared annual aggregate limits:

CIBA I	▪ Industrial & Custom CA A	\$250,000,000	▪ Residential CA A	\$250,000,000
	▪ Industrial & Custom CA B	\$250,000,000	▪ Residential CA B	\$250,000,000
	▪ Industrial & Custom OS	\$250,000,000	▪ Residential OS	\$250,000,000

CA = California OS = Other States

Exposure base, TIV, and sublimits are closely monitored by EQ zone to ensure that no single zone's sublimits less deductibles or 30% PML exposure exceeds the towers aggregate limit.

The current Primary Carriers include:

- Lexington
- Lloyds of London
- Westchester
- Ironshore

Earthquake and Flood deductibles and sublimits are rated and established based on the Earthquake and Flood zone of the property.

Earthquake and Flood coverage can be purchased with location sublimits or a primary account sublimit over multiple locations.

Minimum deductibles per location apply.

ASSOCIATION BENEFITS

- Broad Property Coverages
- Packaged Underwriting
- Strong Membership Base: 2,500 Members & 10,000 Locations
- Client Loyalty Credit Program - Up to 3% After Three Annual Renewals
- Subrogation & Claims Adjusting Costs, Including Legal Defense Costs For Covered Litigated Claim
- Property Inspection & Loss Control Services
- Boiler and Machinery Inspections for Local Permits
- Online Broker and Insured Access To Specimen Policies, Legal Q&A & Other Coverage Information
- Insurance Certificate Monitoring (ICM) Program
- Loss Prevention Bulletins & Seminars
- Premium Payment Plans For Accounts Greater Than \$25,000
- Association Sponsored Commercial Real Estate & Insurance Related Legal Seminars

PROPERTY INSPECTION & LOSS CONTROL SERVICES

Property Inspections

- Inspections performed within 60 days of binding a location to verify application information and property conditions
- An Inspection Report is prepared for underwriting and loss control files and provided to the Broker and Customer

Loss Control

- Reviews all underwriting reports for accuracy and completeness
- Determines if loss control recommendations are warranted
- Forwards a copy of the report with comments to insured's Broker
- Follows up on any outstanding loss control recommendations within 90 days

CIBA CLIENT LOYALTY PROGRAM

CIBA's Client Loyalty Program is location specific. Insureds with locations that have been in the CIBA Program for at least one renewal will receive a credit on subsequent renewals, if coverage is uninterrupted, of up to 3%.

Renewal Years Location In Program	Location Renewal Premium Credit
ONE	1 %
TWO	2 %
THREE	3 % (maximum)

Credit calculated and applied to property and liability insurance premium billed to the Broker. Earthquake and terrorism premium and all fees excluded.

CIBA MEMBER FEE SCHEDULE 2010/2012 Policy Period

Association Fee

Each new associate is assessed a one-time Association Fee of \$250 upon the initial location bound for coverages. This fee allows for up to four locations to be included in the Program and covers the claims adjusting, legal defense and loss control costs.

Each additional location will be assessed a one time \$25 fee.

Inspection Fee

In order to ensure the accuracy of applications and to provide loss control recommendations, each location joining the Program is assessed an Inspection Fee.

Each location is assessed an initial Inspection Fee of between \$175 and \$750, depending on the number of buildings included in the location.

Initial Inspection Fees for accounts with multiple locations are discounted and quoted separately.

Each location is subject to a Re-inspection Fee of \$70 per year, charged at renewal for carrier mandated re-inspections.

Insurance Certificate Monitoring Fee (ICM)

The Insurance Certificate Monitoring (ICM) Program is a valuable and cost effective way for Property Owners and Managers to control their insurance costs from potential subrogation in the event of a loss caused by a tenant, condominium unit owner or service provider. The Program provides verification of compliance with insurance requirements of leases, CC&R's and service agreements.

ICM services are billed on a flat fee basis based on the number of insurance certificates and locations to be monitored. ICM fee credits are available based on tenant compliance upon renewal of the ICM services.

The ICM services are also available for locations not currently in the CIBA Program.

CIBA PROGRAM CARRIER RATINGS

AMBEST NO.	INSURANCE COMPANY	RATING	FINANCIAL SIZE CATEGORY
Primary Carriers - CIBA I Program 3/31/10 to 3/31/12			
78528	Ironshore Insurance Ltd.	A-	XI
02350	Lexington Ins. Co.	A	XV
48932	Lloyds of London	A	XV
04433	Westchester Surplus	A+	XII
Excess & Specialty Carriers - CIBA I Program 3/31/10 to 3/31/12			
12523	Arch Specialty Ins Co	A	XV
02148	Empire Indemnity Ins. Co.	A	XV
13131	Endurance American Ins. Co.	A	XV
11883	First Mercury Ins. Co.	A-	VIII
02210	Great American Ins. Co. of NY	A	XIII
10604	Homeland Ins. Co. of New York	A	XIII
78528	Ironshore Insurance Ltd.	A-	XI
78390	Lancashire Insurance Co. (UK) Ltd.	A-	XII
12619	Landmark American Ins.	A	XII
85202	Lloyds of London	A	XV

AMBEST NO.	INSURANCE COMPANY	RATING	FINANCIAL SIZE CATEGORY
Excess & Specialty Carriers - CIBA I Program 3/31/10 to 3/31/12			
11034	Maiden Specialty	A	IX
18259	Munich Re	A+	XV
12170	Princeton E&S Ins. Co.	A+	XV
12562	QBE Specialty	A	X
00503	Shelter Re	A-	VIII
12553	Tokio Marine Global Ltd.	A+	VI
03128	United National	A	X
00347	Westport Insurance Corp	A	XV
04433	Westchester Surplus Lines Ins Co	A+	XII

Ratings as of April 13, 2010