CALIFORNIA
J · P · I · A

March 25, 2021

Best, Best & Krieger
18101 Von Karman Avenue, Suite 1000
Irvine, CA 92612

Attn: Scott Smith, Esq

RE: Coverage Appeal – *Bieber v. James*

Mr. Smith,

Thank you for your participation in the California JPIA's coverage Appeals Committee hearing process as provided for in our 2019/2020 Memorandum of Coverage – Primary Liability Program (MOC-PLP). Also, thank you to your partner Chris Deal for preparing for the Appeal and your Associate Tyler Anthony for taking part in the hearing. After presentations from the Authority's General Counsel, Byrne Conley, yourself, and Mr. Anthony, the Appeals Committee retired to a private breakout room via Zoom, to deliberate. To aid in those deliberations, the Authority had secured independent counsel for the Committee, Doug Alliston, Esq. The Authority has no prior relationship with Mr. Alliston. However, we obtained recommendations from other risk pools that he had served in a similar capacity for in the past. We are comfortable that he was acting independently and in the Appeals Committee's best interests, not the California JPIA as a whole.

After lengthy deliberation, Mr. Alliston joined the main Zoom meeting. He advised that the Appeals Committee had voted to affirm the prior coverage denials by Carl Warren & Co. and myself. There was no further discussion on the item.

Pursuant to the terms of the 2019/2020 MOC - PLP we are placing you on notice that there is a final step available in the appeals process should you choose to do so. The terms of that process are set forth below, and are contained on pages 27-29 of the attached 2019/2020 MOC - PLP:

CALIFORNIA JOINT POWERS INSURANCE AUTHORITY
8081 MOODY STREET, LA PALMA, CA 90623 TEL (562) 467-8700 FAX (562) 860-4992

5. LL. Arbitration

If the **Member** has followed the coverage appeals procedure outlined in Section 5.J. *Appeal of Disputes* and disagrees with the final determination of the Appeals Committee, the **Member** may request consideration of the coverage issue through the **Authority's** Binding Arbitration Process.

The Arbitration Process shall be as follows:

(i) Following a decision by the Appeals Committee, the appealing **Member** shall notify the Chief Executive Officer in writing, within 30 days of the Appeals Committee's final decision, that it wishes to participate in Binding Arbitration and shall submit a non-refundable $1,000 arbitration appeal fee. The written notice shall specify the grounds for the arbitration.

(ii) Following payment of the arbitration appeals fee, the name of each **Member**, other than the appealing **Member** and the **Members** represented on the Appeals Committee, shall be placed in an unmarked envelope. Each envelope shall be placed in a box and eleven envelopes shall be drawn by the Chief Executive Officer. A representative of the appealing **Member** may be present at the drawing.

(iii) The **Chief Executives** of the eleven **Members** shall be the pool of potential arbitrators. The eleven **Members** and the names of their **Chief Executives** shall be given in writing to the appealing **Member**.

(iv) The appealing **Member** shall have the right to strike two or less names from the pool for any reason which shall not be disclosed. The **Authority** shall have the right to strike two or less names from the pool for any reason which shall not be disclosed. The appealing **Member** and the **Authority** must strike names within five business days of the drawing. The right of either party to strike names shall lapse at 5:00 PM on the fifth day following the drawing. Notice of names stricken by either party shall be given in writing to the other party prior to 5:00 PM on the fifth day following the drawing.

(v) The remaining **Chief Executives** shall be contacted by the Chief Executive Officer to determine their willingness to serve on the arbitration panel. If more than five are willing to serve, each name shall be placed in an unmarked envelope, put in a box, and the Chief Executive Officer shall draw five envelopes from the box. The individuals whose names are drawn shall be the arbitration panel and they shall be disclosed in writing to the appealing **Member**.

(vi) If only five are willing to serve, they shall be the arbitration panel.

(vii) If fewer than five are willing to serve, the name of each member not drawn in the previous selection drawing shall be placed in an unmarked envelope, put in a box, and four envelopes shall be drawn for each arbitration panel position needed to have a five-member panel. A representative of the appealing **Member** may be present at the drawing. The names drawn shall be disclosed to the appealing **Member** who may reject, for any reason which shall not be disclosed, one name for each four names drawn. The **Authority** may also reject one name for each four names drawn and shall not disclose the reason. Names rejected by the appealing **Member** and the **Authority** must be rejected within 48-hours of the drawing. The right to reject names shall lapse 48-hours following the drawing.

(viii) The **Chief Executives** of the **Members** remaining shall be contacted by the Chief Executive Officer to determine their willingness to serve on the arbitration panel. The names of those willing to serve shall be placed in unmarked envelopes, put in a box, and the number necessary to fill out the arbitration panel shall be drawn by the Chief Executive Officer and disclosed in writing to the appealing **Member**. A representative of the appealing **Member** may be present at the drawing.

(ix) This process shall be repeated until five members are obtained for the arbitration panel.

(x) The arbitration panel members shall be compensated at the rate of $125 per half-day or portion thereof. If a panel member is required to stay away from home overnight, lodging shall be paid by the **Authority**. Necessary meals shall be provided for all panel members. Mileage costs shall be reimbursed by the **Authority** at its standard rate.

(xi) The cost of the arbitration panel shall be borne by the **Authority**. The cost of presentation by the appealing **Member**, including preparation, exhibits, attorneys, and all other costs of the **Member** shall be paid by the **Member**.

(xii) The arbitration panel may request legal counsel that shall be selected by the Chief Executive Officer and paid for by the **Authority**. Legal counsel shall not be the counsel for the **Authority** that has advised the staff and Executive Committee. However, counsel for the **Authority** may participate in or make the presentation to the arbitration panel on behalf of the **Authority**, as requested by the Chief Executive Officer.

(xiii) The parties to the arbitration shall not be governed by formal rules of evidence.

(xiv) The arbitration panel's decision shall be final and binding on the **Member** and the **Authority**. Decisions of the arbitration panel shall be by majority vote.

(xv) The decision of the arbitration panel shall be written and shall govern the issue decided but may be referred to by the **Authority** and future arbitration panels for precedent.

Should you have any questions about the Arbitration process or choose to exercise this option, you must do so within 30 days of this letter. Thank you.

Sincerely,

Jonathan Shull
Chief Executive Officer