

CLEVELAND PUBLIC LIBRARY

Board Meeting

September 17, 2020

**RESOLUTION TO RATIFY AND APPROVE THE PURCHASE OF INSURANCE
COVERAGE FOR POLICIES EFFECTIVE AUGUST 1, 2020**

WHEREAS, On September 26, 2019, the Board of Library Trustees authorized the renewal of the insurance packages stated within this Resolution for two, one-year renewal periods commencing on August 1, 2020, provided terms, conditions, and pricing remained comparable to the current programs and consistent with then current market conditions; and

WHEREAS, On June 18, 2020, the Board of Library Trustees authorized the Executive Director to make the final determination to accept the insurance package that provides the best coverage for the lowest overall cost, for a total annual premium for all policies not to exceed \$520,132.75, and the coverage purchased would be presented for ratification by the Board of Library Trustees at their next regularly scheduled meeting; and

WHEREAS, The 2020 renewal premiums are as follows:

Coverage	Expiring Premium	Carrier	Renewal
Property, including Boiler & Machinery	\$237,000	Affiliated FM Insurance Company (Incumbent)	\$266,433
General Liability, including Employee Benefits Liability, Ohio Employer's Liability and Abuse/Molestation	\$41,460	Liberty Mutual Insurance Company (Incumbent)	\$45,343
Law Enforcement Professional Liability	\$5,127	Liberty Mutual Insurance Company (Incumbent)	\$7,750 (Security Officers were changed from Class B to Class C due to the new contract allowing Phazzers)
Automobile Liability	\$44,850	Liberty Mutual Insurance Company (Incumbent)	\$48,686

EXHIBIT 4

Coverage	Expiring Premium	Carrier	Renewal
\$10 million Excess Liability	\$18,671	Liberty Mutual Insurance Company (Incumbent)	\$21,290
\$15 million Excess Liability over \$10 million Excess Liability	\$15,150	Travelers Insurance Company (Incumbent)	Did not renew
Crime	\$9,850	Travelers Insurance Company (Incumbent)	\$9,750
Cyber Liability	\$18,306	Illinois National Insurance Company – AIG Beazley (Lloyds) (New)	\$19,869.25 (Increased the number of notifications from 1,000,000 to 1,500,000)
Public Officials and Employment Practices Liability	\$49,539	Illinois National Insurance Company – AIG (Incumbent)	\$54,440
Total Premium	\$439,953		\$473,561.25

;and

WHEREAS, The Library's Executive Director is authorized to accept the Property, General Liability, Law Enforcement Professional Liability, Automobile Liability, Excess Liability, Crime, Cyber Liability and Public Officials and Employment Practices Liability as presented by McGowan Insurance for coverage effective August 1, 2020; and

WHEREAS, The combined annual renewal premiums yielded a 7.6% increase in cost (or \$33,608.25) compared to the expiring program premiums, including the additional premiums paid in Law Enforcement and Cyber and excluding the \$15 million Excess Liability; now therefore be it

RESOLVED, That the Board of Library Trustees ratifies the decision to purchase Property, General Liability, Law Enforcement Professional Liability, Automobile Liability, Excess Liability, Crime, Cyber Liability and Public Officials and Employment Practices Liability through McGowan Insurance for the fourth year's premium not-to-exceed \$473,561.25 for the period August 1, 2020 through August 1, 2021; and be it further

RESOLVED, That it is the intention of this Board to renew the insurance packages stated within this Resolution for one, one-year renewal periods commencing on August 1, 2021, provided terms, conditions, and pricing remain comparable to the current programs and consistent with then current market conditions.

AN INSURANCE PROPOSAL
PREPARED FOR:

CLEVELAND PUBLIC LIBRARY
325 SUPERIOR AVE.
CLEVELAND, OH 44114

PRESENTED BY:



20595 LORAIN RD
FAIRVIEW PARK, OH 44126

July 22, 2020

DISCLAIMER - The abbreviated outlines of coverages used throughout this proposal are not intended to express any legal opinion as to the nature of coverage. They are only visuals to a basic understanding of coverages. Please read your policy for specific details of coverages.

GENERAL LIABILITY POLICY OUTLINE

COMPANY: Liberty Mutual Fire Insurance Company (Admitted / Incumbent)

COVERAGE	LIMIT
-----------------	--------------

GENERAL LIABILITY – OCCURRENCE-BASIS:

Each Occurrence	\$1,000,000
Personal and Advertising Injury	\$1,000,000
General Aggregate (Other Than Products / Completed Operations)	\$2,000,000
Products / Completed Operations Aggregate	\$2,000,000
Rented to You	\$1,000,000
Medical Expense – Each Person	\$5,000

EMPLOYEE BENEFIT LIABILITY – CLAIMS-MADE BASIS:

Each Person	\$1,000,000
Aggregate	\$2,000,000
Retroactive Date	08/01/2006

OHIO STOP-GAP LIABILITY – OCCURRENCE-BASIS:

Each Person	\$1,000,000
Each Occurrence	\$1,000,000
Bodily Injury – By Disease	\$1,000,000

**SEXUAL MISCONDUCT & MOLESTATION – OCCURRENCE-BASIS:
(NEW FORM EDITION)- EXPLANATIONS OF CHANGES CAN BE
FOUND STARTING ON PAGE 14**

Each Wrongful Act	\$1,000,000
Aggregate	\$1,000,000
Deductible Each Wrongful Act	\$2,500

MAJOR POLICY TERMS & CONDITIONS:

- Blanket Additional Insured & Waiver of Subrogation as required by written contract
- Liberty General Liability Enhancement Endorsement
- Law Enforcement Exclusion (Separate Policy with Liberty)
- Total Pollution Exclusion With A Building Heating, Cooling And Dehumidifying Equipment Exception And A Hostile Fire Exception

LAW ENFORCEMENT PROFESSIONAL LIABILITY POLICY OUTLINE

COMPANY: Liberty Mutual Fire Insurance Company (Admitted / Incumbent)

COVERAGE	LIMIT
-----------------	--------------

LAW ENFORCEMENT – OCCURRENCE-BASIS:

Each Wrongful Act	\$1,000,000
Aggregate	\$1,000,000
Supplementary Payments – Non-Monetary Relief	\$25,000
Deductible Each Wrongful Act	\$2,500
Supplementary Payments – Non-Monetary Relief Deductible	\$2,500

COMMERCIAL AUTO POLICY OUTLINE

COMPANY: Liberty Mutual Fire Insurance Company (Admitted / Incumbent)

COVERAGE	LIMIT	PER
Bodily Injury and Property Damage	\$1,000,000	Combined Single Limit - Each Accident
Uninsured Motorists	\$100,000	Each Accident
Underinsured Motorists	\$100,000	Each Accident
Medical Payments	\$5,000	Each Accident

COVERAGE	SYMBOL	APPLICABLE TO:	DEDUCTIBLE
Liability	01	Any Auto	Nil
Uninsured Motorists Underinsured Motorists	02	Owned Autos	Nil
Physical Damage - Comprehensive	02, 08	Owned Autos Hired Auto	\$500
Physical Damage – Collision	02, 08	Owned Autos Hired Auto	\$1,000

MAJOR POLICY TERMS & CONDITIONS:

- Liberty Auto Enhancement Endorsement
- Autos per schedule received on May 18

SUBJECT TO:

- 1– Favorable Driving Records per drivers list received on May 18

\$10M EXCESS LIABILITY POLICY OUTLINE

COMPANY: Liberty Insurance Corporation (Admitted / Incumbent)

COVERAGE	LIMIT
Per Occurrence	\$10,000,000
Aggregate	\$10,000,000
Self-Insured Retention	\$10,000

UNDERLYING COVERAGE:

General Liability:

Each Occurrence	\$1,000,000
General Aggregate	\$2,000,000
Products / Completed Operations Aggregate	\$2,000,000
Personal and Advertising Injury	\$1,000,000

Employee Benefits Liability:

Per Occurrence	\$1,000,000
Aggregate	\$1,000,000

Abuse/Molestation:

Per Occurrence	\$1,000,000
Aggregate	\$1,000,000

Law Enforcement:

Each Wrongful Act	\$1,000,000
Aggregate	\$1,000,000

Ohio Stop Gap:

Each Accident	\$1,000,000
Policy Limit	\$1,000,000
Each Employee	\$1,000,000

MAJOR POLICY TERMS AND CONDITIONS:

- Follow Form

\$15M XS \$10M EXCESS LIABILITY POLICY OUTLINE

COMPANY: Travelers Property Casualty Company of America (Admitted / Incumbent)

COVERAGE	LIMIT
Per Occurrence	\$15,000,000
Aggregate	\$15,000,000

UNDERLYING COVERAGE:

Liberty Excess Policy:

Each Occurrence	\$10,000,000
General Aggregate	\$10,000,000

MAJOR POLICY TERMS AND CONDITIONS:

- Follow Form except Abuse/Molestation as it is excluded

****Coverage Declined 2020-2021 Term**

CRIME POLICY OUTLINE

COMPANY: Travelers Casualty & Surety Company of America (Admitted / Incumbent)

COVERAGE	LIMIT	DEDUCTIBLE
A - FIDELITY:		
Employee Theft (Per Loss Coverage)	\$2,000,000	\$10,000
ERISA Fidelity	Not Covered	
Employee Theft of Client Property	Not Covered	
B – FORGERY OR ALTERATION:		
	\$2,000,000	\$10,000
C – ON PREMISES:		
	\$100,000	\$10,000
D – IN TRANSIT		
	\$100,000	\$10,000
E – MONEY ORDERS AND COUNTERFEIT MONEY		
	\$100,000	\$10,000
F – COMPUTER CRIME		
Computer Fraud	\$1,000,000	\$10,000
Computer Program and Electronic Data Restoration Expense	\$100,000	\$10,000
G – FUNDS TRANSFER FRAUD		
	\$1,000,000	\$10,000
H – PERSONAL ACCOUNTS PROTECTION:		
Personal Accounts Forgery or Alteration	\$100,000	\$500
Identity Fraud Expense Reimbursement	\$25,000	\$-0-
I – Claim Expense		
	\$5,000	\$-0-

MAJOR POLICY COVERAGE EXTENSIONS:

- Removal of Short-Rate Cancellation Endorsement
- Government Entity Crime – Specified Limit for Faithful Performance of Duty Endorsement
- Social Engineering Fraud
 - \$100,000 Limit / \$10,000 Deductible
- Telecommunication Fraud (**NEW**)
 - \$100,000 Limit / \$1,000 Deductible

CYBER POLICY OUTLINE

COMPANY: Lloyds of London – Beazley Breach Response (Non-Admitted / NEW)

COVERAGE SCHEDULE (Currency in USD)

LIMITS	OPTION #1
Breach Response	
Notified Individuals:	1,500,000
Legal, Forensic & Public Relations/Crisis Mgmt:	\$1,000,000
THE BREACH RESPONSE LIMITS ABOVE ARE IN ADDITION TO THE POLICY AGGREGATE LIMIT OF LIABILITY	
Policy Aggregate Limit of Liability:	\$2,000,000
Additional Breach Response Limit	
Additional Breach Response Limit:	\$2,000,000
First Party Loss	
Business Interruption Loss:	
<i>Resulting from Security Breach</i>	\$2,000,000
<i>Resulting from System Failure</i>	\$2,000,000
Dependent Business Loss:	
<i>Resulting from Dependent Security Breach:</i>	\$1,000,000
<i>Resulting from Dependent System Failure</i>	\$1,000,000
Cyber Extortion Loss	\$2,000,000
Data Recovery Costs	\$2,000,000
Liability	
Data & Network Liability	\$2,000,000
Regulatory Defense & Penalties	\$2,000,000
Payments Cards Liabilities & Costs	\$2,000,000
Media Liability	\$2,000,000
eCrime	
Fraudulent Instruction	\$100,000
Funds Transfer Fraud	\$250,000
Telephone Fraud	\$250,000
Criminal Reward	
Criminal Reward	\$50,000
RETENTIONS	
Breach Response	
Legal, Forensic & Public Relations/Crisis Mgmt	\$10,000; \$5,000 for Legal
Each Incident, Claim or Loss	\$25,000

CYBER POLICY OUTLINE - CONTINUED

ENDORSEMENTS EFFECTIVE AT INCEPTION

- | | | |
|-----|--------------|---|
| 1. | BSLMUNMA2868 | Lloyd's Certificate - No policy language |
| 2. | E02804032011 | Sanction Limitation and Exclusion Clause |
| 3. | NMA1256 | Nuclear Incident Exclusion Clause - Liability -Direct (Broad) (U.S.A.) |
| 4. | NMA1477 | Radioactive Contamination Exclusion Clause-Liability-Direct (U.S.A.) |
| 5. | SCHEDULE2020 | Lloyd's Security Schedule 2020 |
| 6. | E06928042015 | Policyholder Disclosure Notice of Terrorism Insurance Coverage |
| 7. | E10595112017 | Asbestos, Pollution, and Contamination Exclusion Endorsement |
| 8. | E13372092019 | State Consumers Privacy Statutes Endorsement |
| 9. | E10602112017 | War and Civil War Exclusion |
| 10. | E11122012018 | Cap on Losses Arising out of Certified Acts of Terrorism |
| 11. | E06799112017 | Amend Definition of Fraudulent Instruction |
| 12. | E11848072018 | Invoice Manipulation Coverage
- Note: \$100,000 sublimit |
| 13. | E13038062019 | Reputation Loss
- Note: \$1,000,000 sublimit |
| 14. | E10944032019 | Post Breach Remedial Services Endorsement |
| 15. | E11294032018 | Amend Data Recovery Costs |
| 16. | E11290032018 | GDPR Cyber Endorsement |
| 17. | E11783072018 | Computer Hardware Replacement Costs
- Note: \$2,000,000 sublimit |
| 18. | E12604012019 | Amend Definition of Data |
| 19. | E10675012019 | Contingent Bodily Injury Endorsement with Sublimit
- Note: \$250,000 sublimit |
| 20. | E12967052019 | Voluntary Shutdown Coverage |
| 21. | E12968052019 | Cryptojacking Endorsement
- Note: \$250,000 sublimit |
| 22. | E10600012018 | Technology Based Services
- Note: \$2,000,000 limit/ \$25k retention - 12/31/2015 retro date |
| 23. | E06559112017 | Amend Definition of Additional Insured to Include Scheduled Entities
- Note: Andover Public Library, Barberton Public Library, Bellevue Public Library, Birchard Public Library, Bristol Public Library, Burton Public Library, Cleveland Heights-University Heights Public Library, Cleveland Law Library, Clyde Public Library, Conneaut Public Library, East Cleveland Public Library, Elyria Public Library, Euclid Public Library, Fairport Harbor Public Library, Geauga County Public Library, Girard Free Library, Harbor-Topkey Public Library, Henderson Memorial Public Library, Hubbard Public Library, Hudson Library & Historical Society, Huron Public Library, Kingsville Public Library, Kinsman Public Library, Kirtland Public Library, Lorain Public Library, Madison Public Library, McKinley Memorial Library, Medina County District Library, Mentor Public Library, Milan - Berlin Township Public Library, Morley Library, Newton Falls Public Library, Norwalk Public Library, Orrville Public Library, Peninsula Library, Pery Public Library, Ritter Public Library, Rock Creek Public Library, Rocky River Public Library, Sandusky Library, Shaker Heights Public Library, Twinsburg Public Library, Wayne County Public Library, Wickliffe Public Library, Willoughby- Eastlake Public Library. |
| 24. | E10596122019 | Choice of Law and Service of Suit
- Note: Choice of Law: New York |

PUBLIC OFFICIALS LIABILITY/EMPLOYMENT PRACTICES LIABILITY POLICY OUTLINE

INSURED:	Cleveland Public Library
CARRIER:	National Union Fire Insurance Company of Pittsburgh, PA (AIG) –(Admitted / Incumbent)
COVERAGE: FORM:	Public Officials Liability / Employment Practices Liability including Third-Party Claims-Made Basis
RETRO-DATE:	Full Prior Acts
CONTINUITY-DATE:	09/18/2013
LIMITS OF LIABILITY:	\$2,000,000 Each Claim / \$2,000,000 Policy Aggregate / Shared Limits CrisisFund - \$25,000
DEDUCTIBLES:	Public Officials - \$50,000 Each Claim Including indemnity & defense Employment Practices - \$100,000 Each Claim Including indemnity & defense
DEFENSE COSTS:	Outside the Limits of Liability

POLICY FORMS & ENDORSEMENTS:

- 108335 03/12 LRP Admitted GTC
- 108337 03/12 PUBLIC ENTITY COVERAGE SECTION
- 108341 03/12 LRP - Crisis Fund Coverage Section
- 108338 03/12 PUBLIC ENTITY EPL COVERAGE SECTION
- 97531 03/17 OHIO CANCELLATION/NONRENEWAL ENDORSEMENT
- 111370 07/12 OHIO AMENDATORY ENDORSEMENT
- 133603 08/19 NOTICE OF CLAIM PROVISION AMENDED ENDORSEMENT
- 108359 02/11 CANCELLATION PROVISION AMENDATORY NOTICE PERIOD 90 Days
- 108370 02/11 STATE AMENDATORY INCONSISTENT ENDORSEMENT
- 127617 12/17 SPLIT RETROACTIVE DATE ENDORSEMENT
- 124010 04/17 EPL PAK PREMIER ENDORSEMENT (EMPLOYMENT PRACTICES, LOSS PREVENTION AND RISK MANAGEMENT TOOLS)
- 125595 03/17 FEDERAL SHARE OF COMPENSATION UNDER TRIA AND CAP ON LOSSES ENDORSEMENT
- 119679 09/15 ECONOMIC SANCTIONS ENDORSEMENT
- 78859 10/01 FORMS INDEX ENDORSEMENT
- 132592 04/19 ENHANCED ASSAULT EXTENSION ENDORSEMENT (PUBLIC ENTITY COVERAGE SECTION)
- 135547 02/20 CONFIDENTIAL INFORMATION EXCLUSION ENDORSEMENT For use on EPL PUBLIC ENTITY
(NEW)

PROPERTY POLICY OUTLINE

COMPANY: Affiliated FM (Admitted / Incumbent)

POLICY LIMIT:

The company's total limit of liability, including any insured business interruption loss will not exceed the policy limit of ~~\$600,000,000~~ **\$500,000,000** as a result of any one occurrence subject to the respective sub-limits of liability shown elsewhere in the policy.

Location Schedule: On file with the company per Statement of Values received.

SUB-LIMITS:

Unless otherwise stated below, the following sub-limits of liability will apply on a per occurrence basis for all coverages provided, and are part of not in addition to, the above limit(s) of liability.

- ~~\$200,000,000~~ **\$200,000,000** Earth Movement (Annual Aggregate)
- ~~\$100,000,000~~ **\$100,000,000** Flood (Annual Aggregate)
- ~~\$3,000,000~~ **\$3,000,000** Extra Expense
- ~~\$84,475,709~~ **\$84,475,709** Valuable Papers at Main Library Building, 303-499 Superior Ave., Cleveland, OH
- ~~\$146,847,450~~ **\$146,847,450** Valuable Papers at Louis Stokes Wing, 507-525 Superior Ave., Cleveland, OH
- ~~\$56,647,390~~ **\$56,647,390** Valuable Papers at Lakeshore Storage, 17001 Lakeshore Blvd, Cleveland, OH
- ~~\$2,316,066~~ **\$2,316,066** Valuable Papers at 1st Floor Cleveland City Hall, Cleveland, OH
- ~~\$1,500,000~~ **\$1,500,000** Valuable Papers per location, **\$5,000,000** per occurrence at all locations not to exceed **\$10,000** per item for irreplaceable valuable papers excluding locations covered in sublimits above.

SOME ADDITIONAL COVERAGES:

- ~~\$2,500,000~~ **\$2,500,000** Accounts Receivable
- ~~\$1,000~~ **\$1,000** Communicable Disease – Property Damage
- ~~\$500,000~~ ~~\$1M~~ **\$500,000** Data Programs or software annual aggregate
- ~~\$500,000~~ ~~\$1M~~ **\$500,000** Data Restoration annual aggregate
- ~~Policy Limit~~ **Policy Limit** Demolition and increased cost of construction
- ~~\$500,000~~ **\$500,000** **Fine Arts not to exceed \$10,000** per item for irreplaceable Fine Arts
- ~~\$200,000~~ **\$200,000** Land & Water Clean-up Expense annual aggregate
- ~~2,500,000~~ **2,500,000** Newly acquired property
- ~~50,000~~ **50,000** Data Services Provider– Property Damage
- ~~\$2,500,000~~ **\$2,500,000** Off Premises Service Interruption – Property Damage
- ~~Policy Limit~~ **Policy Limit** United States Certificate Act of Terrorism Coverage
- ~~1,000,000~~ **1,000,000** Transit not to exceed **\$250,000** for Business Interruption
- ~~\$2,500,000~~ **\$2,500,000** Unnamed Property

PROPERTY POLICY OUTLINE- CONTINUED

Fine Arts Coverage:

The following limits apply to each article in the schedule of Fine Arts listed below. In no event will the Fine Arts limit of liability shown in the extensions of Coverage Sub-limit section apply in addition to those limits shown below and will now apply to each unscheduled article of Fine Arts.

1. Per Schedules on file with company shown below with a total value at **\$2,157,800**
 - An Appraisal Report for The Cleveland Public Library – Appendix One, December 16, 2001, by James Gray – for highlighted items only.
 - Joseph J. Felcone Inc., Princeton, NJ – Bulletin 89: Rare Books from the 16th through the 20th Century - for the highlighted items only.
 - ~~Loan Report dated October 31, 2008 for exhibit at Martin Luther King Branch for collection by James Ransome (Illustrator).~~
2. ~~Fine Art Schedule at 1962 Stoke Blvd. valued at \$18,800 for WPA Prints~~
3. ~~Fine Art Schedule (Puppet Exhibit) at 325 Superior Avenue valued at \$277,455~~
4. ~~Kristen Cliffler Collection valued at \$17,350~~
5. ~~WPA Prints as Per Schedule on File dated 13-Feb-2019~~
6. ~~Puppetry Exhibit as Per Schedule on File dated 20-Mar-2019 and 23-July-2019~~

DEDUCTIBLES:

The following deductible amounts shall apply per occurrence for insured loss or damage under this policy:

- **\$100,000** Earth Movement (per location for all coverages provided).
- **\$100,000** Flood (per location for all coverages provided)
- **\$100,000** Boiler & Machinery
- **\$100,000** Communicable Disease Property Damage & Business Interruption subject to 48 Hours qualifying period.
- **\$100,000** Data Restoration subject to 48 Hours qualifying period
- **\$100,000** Data Service Provider Property Damage & Business Interruption subject to 24 Hours qualifying period to
- **\$100,000** Off Premises Service Interruption Property Damage & Business Interruption subject to 24 Hours qualifying period
- **\$100,000** Owned Network Interruption subject to 48 Hours qualifying period
- **\$10,000** Fine Arts
- **\$10,000** Personal Property of Others
- **\$10,000** Transit
- **\$100,000** All other losses
- **Business Interruption Day Equivalent Deductible (NEW):**
 1. The business interruption deductible will be determined by multiplying the one hundred percent day equivalent (DEQ) by 2. The day equivalent is the 100% actual annual business interruption value that would have been earned had no loss occurred at the location where the physical damage happened plus that proportion of the 100% annual business interruption value at all other locations where business interruption loss ensues, divided by the number of annual working days.

OPTIONAL COVERAGES

2020-21 Options:

1. Increase Public Officials/Employment Practices from \$2M to \$5M with \$100K Public Officials Retention & \$250K Employment Practices retention and move defense from outside the limits to inside the limits for an additional premium of \$14,645.
2. Keep \$2M Cyber/Tech E&O policy with AIG for an additional premium of \$810.25. AIG has also offered a \$5M with \$50K retention option for an additional premium of \$18,775 from their \$2M option.

The following list outlines coverages that are available to you but are not currently in your insurance program. We feel that it is important that we bring these optional coverages to your attention and would be happy to discuss them in further detail as well as provide you with a quotation. Please review the brief description of these items and advise if you are interested in obtaining additional information and/or a quote. We will forward the appropriate application(s) to you for completion. Upon receipt of your completed application we will provide you with a quote.

Active Shooter/Workplace Violence Insurance: covers liability and extra expenses tied to violent attacks and/or threats, providing victim death benefits as well as needed medical / rehabilitation / psychiatric / funeral expense coverages. The program considers all classes of business, including but not limited to government agencies, education, religious institutions, hospitality, entertainment, retail, and public entities. The program covers a wide range of attack-types, such as knife, vehicular attacks, explosives, acid attacks rather than solely committed with a firearm.

- Legal liability coverage with indemnity to address lawsuits that may result from a covered event.
- Victim coverages related to:
 - Psychiatric care
 - Medical or dental care
 - Rehabilitation expenses
 - Death Benefit / Disability Coverages
 - Funeral / Burial Expenses
- Business Expenses related to:
 - Business income/interruption and extra expenses
 - Public relations counsel
 - Crisis Consultant expenses
 - Employee counseling
 - Additional / Temporary security measures

Fiduciary Liability Insurance: Helps to protect the personal assets of company fiduciaries, as well as the financial assets of the company and employee benefit plans against lawsuits.

Third Party Crime Coverage: Crime coverage if an employee steals your client's property

SEXUAL MISCONDUCT LIABILITY COVERAGE CHANGES

IMPORTANT POLICYHOLDER NOTICE CONCERNING REVISIONS TO YOUR RENEWAL POLICY

Dear Valued Policyholder,

Thank you for selecting us as your carrier for your commercial insurance.

This notice contains a summary of the material changes we have made. The changes outlined below are organized by individual forms. Please note that not all of the forms or changes noted may apply to your specific policy. Any of the forms described in this notice may have comparable state specific forms in lieu of the forms mentioned below. In those situations, the title of the state forms on your policy will generally be very similar to one or more titles mentioned in this notice. The majority of the changes described below would also apply to those state specific forms. However, you should refer to those state specific forms for state coverage details. This notice does not reference every change made to the endorsements or coverage forms, only material changes.

Please read your policy and review your declarations page for complete coverage information. No coverage is provided by this notice, nor can it be construed to replace any provisions of your policy. If there are discrepancies between your policy and this notice, the provisions of the policy shall prevail. If you have questions after reviewing the changes outlined below, please contact your independent agent. Thank you for your business.

The changes explained below apply to your renewal policy only if one or more of the endorsements (or comparable state specific forms) referenced below applies to your renewal policy:

- LC 04 91 02 20 Sexual Misconduct Liability Coverage
- LC 04 92 02 20 Sexual Misconduct Liability Coverage (Claims-Made)
- LC 21 141 02 20 Sexual Misconduct or Abuse Exclusion
- LC 04 94 02 20 Religious Organization Directors and Officers Liability Coverage
- LC 28 09 02 20 Health Occupation Training – Student Professional Liability
- LC 28 10 02 20 Pastoral Professional Liability

A. Sexual Misconduct Liability Coverage, LC 04 91 02 20
Sexual Misconduct Liability Coverage (Claims-Made), LC 04 92 02 20

The following changes apply to the LC 04 91 and LC 04 92, unless otherwise noted:

1. Your endorsement's Sexual Misconduct or Abuse Exclusion, that applies to Coverages A and B, has been revised as follows:
 - The exclusion now applies to abuse of any kind, including physical or mental abuse. This represents a reduction in coverage because your expiring form's exclusion only applied to physical abuse.
 - Coverage is now excluded for allegations relating to sexual misconduct or abuse that are based on an alleged practice, custom or policy, including allegations that a person's civil rights have been violated. This represents a reduction in coverage.
 - Negligent supervision of any person who was subjected to sexual misconduct or abuse of any kind, including physical or mental abuse is now excluded. This represents a reduction in coverage.
 - The exclusion now applies if the claim against any insured alleges other wrongdoing. This represents a reduction in coverage.
2. A Claims-Made Inception Date (CMID) is added to endorsement LC 04 92. The CMID means the CMID shown in the Schedule of the LC 04 92. If a CMID is not shown in the Schedule, then the CMID will mean the effective date of the first Sexual Misconduct Liability coverage issued and continuously provided by us or any of our affiliates, parent companies or subsidiaries.

The CMID provision reduces coverage because it says that insurance will only apply if on or before the CMID:

SEXUAL MISCONDUCT LIABILITY COVERAGE CHANGES - CONTINUED

- Notice was not given to any prior insurer of sexual misconduct or any fact, circumstance, situation, event, transaction or cause reasonably likely to give rise to a claim; and
 - Any insured who was designated by you to give or receive notice of sexual misconduct had no knowledge of such sexual misconduct or any fact, circumstance, situation, event, transaction or cause reasonably likely to give rise to a claim.
3. The Employment-related Practices exclusion is revised to clarify that malicious prosecution is considered an employment-related practice that is excluded.
 4. The Each Sexual Misconduct Limit is clarified to indicate that it is the most we will pay under the endorsement's coverage for the sum of all damages arising out of any one sexual misconduct regardless of the number of persons making claims or bringing suits. The provision also clarifies that one sexual misconduct includes a single act of misconduct or multiple, continuous, sporadic or related acts of misconduct, committed by one person or two or more persons acting together toward another person or persons.
 5. The Sexual Misconduct Liability Deductible provisions are revised to clarify that one sexual misconduct includes a single act of misconduct or multiple, continuous, sporadic or related acts of misconduct, committed by one person or two or more persons acting together toward another person or persons. This may result in expanded application of the deductible provision, depending on the circumstances of a claim.
 6. The definition of sexual misconduct is revised to clarify that the act of misconduct must be committed by one person or two or more persons acting together toward another person or persons. The definition is also revised to clarify that it also includes the creating of text, pictures, drawings, audio, video or digital recording.
- B. Sexual Misconduct or Abuse Exclusion, LC 21 141 02 20
1. Your renewal policy's Sexual Misconduct or Abuse Exclusion has been revised as follows:
 - The exclusion's provisions are revised to express that they apply to abuse of any kind, including physical or mental abuse. This is a clarification of coverage intent.
 - Coverage is now excluded for allegations relating to sexual misconduct or abuse that are based on an alleged practice, custom or policy, including allegations that a person's civil rights have been violated. This represents a reduction in coverage.
 - Negligent supervision of any person who was subjected to sexual misconduct or abuse of any kind, including physical or mental abuse is now excluded. This represents a reduction in coverage.
 - The exclusion now applies if the claim against any insured alleges other wrongdoing. This represents a reduction in coverage.
 2. The definition of sexual misconduct is revised to clarify that the act of misconduct must be committed by one person or two or more persons acting together toward another person or persons. The definition is also revised to clarify that it includes the creating of text, pictures, drawings, audio, video or digital recording.
- C. Religious Organization Directors and Officers Liability Coverage, LC 04 94 02 20
- The following changes apply to the LC 04 94:
1. A Claims-Made Inception Date (CMID) is added to endorsement LC 04 94. The CMID means the CMID shown in the Schedule of the LC 04 94. If a CMID is not shown in the Schedule, then the CMID will mean the effective date of the first Religious Organization Directors and Officers Liability coverage issued and continuously provided by us or any of our affiliates, parent companies or subsidiaries.
- The CMID provision reduces coverage because it says that insurance will only apply if on or before the CMID:

SEXUAL MISCONDUCT LIABILITY COVERAGE CHANGES - CONTINUED

- Notice was not given to any prior insurer of such wrongful act or any fact, circumstance, situation, event, transaction or cause reasonably likely to give rise to a claim; and
 - Any insured who was designated by you to give or receive notice of a wrongful act had no knowledge of such wrongful act or any fact, circumstance, situation, event, transaction or cause reasonably likely to give rise to a claim.
2. The Each Wrongful Act Limit is revised to clarify that a single wrongful act or a series of wrongful acts that have common or related facts, circumstances, situations, events, transactions or causes will be considered one wrongful act. This may represent a reduction in coverage, depending on the circumstances of a claim.
 3. Duties In The Event Of A Wrongful Act, Claim Or Suit is revised to express that notice of a wrongful act is not considered to be notice of a claim.
 4. The Extended Reporting Periods provision is revised to clarify that a Supplemental Extended Reporting Period Aggregate Limit will be equal to the Aggregate Limit, if any, shown in the Schedule of the Religious Organization Directors And Officers Liability Coverage endorsement in effect at the end of the policy period.
 5. The definition of sexual misconduct is revised to clarify that the act of misconduct must be committed by one person or two or more persons acting together toward another person or persons. The definition is also revised to clarify that it includes the creating of text, pictures, drawings, audio, video or digital recording.
 6. The definition of wrongful act has been revised to clarify that it means actual or alleged acts, errors or omissions, misrepresentations, negligence or breach of duty committed by one or more directors and officers, committee members or board of governors while acting in their capacity as such.
- D. Pastoral Professional Liability, LC 28 10 02 20
1. LC 28 10 is revised throughout for clarification of coverage intent.
 2. The Limit of Insurance section is revised to clarify that subject to the policy's General Aggregate Limit, the most we will pay for damages because of bodily injury or property damage arising out of any one counseling incident is equal to the policy's Each Occurrence Limit. It is also clarified to indicate that a single counseling incident or a series of counseling incidents that have common or related facts, circumstances, situations, events, transactions or causes will be considered one counseling incident. This may represent a reduction in coverage, depending on the circumstances of a claim.
 3. The Other Insurance Condition contains a provision that indicates insurance is excess over any other insurance, whether primary, excess, contingent or on any other basis, available to any individual who is insured under this coverage. This may represent a reduction in coverage, depending on the circumstances of a claim.
- E. Health Occupation Training – Student Professional Liability, LC 28 09 02 20
- The Limit of Insurance section is revised to clarify that a single wrongful act or a series of wrongful acts that have common or related facts, circumstances, situations, events, transactions or causes will be considered one wrongful act. This may represent a reduction in coverage, depending on the circumstances of a claim.

ANNUAL PREMIUM SUMMARY

Coverage Effective Date: August 1, 2020-21

COVERAGE	CARRIER	2019-20 EXPIRING	2020-21 RENEWAL
Property	Affiliated	\$237,000	\$266,433
General Liability Employee Benefits Liability Ohio Employer's Liability Abuse/Molestation	Liberty	\$41,460	\$45,343
Law Enforcement	Liberty	\$5,127	\$7,750
Commercial Auto	Liberty	\$44,850	\$48,686
\$10M Excess Liability	Liberty	\$18,671	\$21,290
\$15M xs \$10M Excess Liability	Travelers	\$15,150	-\$16,770
Crime	Travelers	\$9,850	\$9,750
Cyber	AIG Beazley (Lloyds)	\$18,306	\$19,869.25
Public Officials/Employment Practices	AIG	\$49,539	\$54,440
Total Premium		\$439,953	\$473,561.25

Regarding Valuable Papers Limit: Limit remains as per 2019 expiration.

To be reviewed at renewal term

In order to Bind:

1. *Written request to Bind*
2. *Signed Applications for Crime & Public Official/EPLI*
3. *Signed Warranty Letter if \$5M Public Officials/Employment Practices option is purchased.*
4. *Signed Surplus Lines Affidavit & Beazley Application*
5. *Signed Statement of Values for property*
6. *Signed TRIA acceptance forms for Property, Excess Policies, General Liability, and Law Enforcement*