



A Public Agency

SHOREWAY OPERATIONS AND CONTRACT MANAGEMENT

STAFF REPORT

To: SBWMA Board Members
From: Hilary Gans, Operations & Contracts Manager
Date: June 22, 2017 Board of Directors Meeting
Subject: Resolution Approving Property/Fire Insurance Policy for FY17/18

Recommendation

It is recommended that the SBWMA Board of Directors approve Resolution No. 2017-28 attached hereto authorizing the following action: **Resolution Approving Property/Fire Insurance Policy for FY17/18**. In approving this resolution, Staff is seeking Board direction on the selection one of the property policy options below:

Option #	Deductible	Premium
1	\$500,000	\$767,009.22
2	\$750,000	\$735,533.22
3	\$1.0 million	\$683,417.22
4	\$1.5 million	\$619,441.22
5	\$2.5 million	\$518,321.22

Note: Based on preliminary search results by Risk Strategy’s Insurance Brokerage, SBWMA Staff estimated the Insurance budget line item to \$576,500. If the Board selected a policy other than Option #5 in Table 1, then the Board will need to also authorize staff to change the FY17/18 Budget Insurance line item to provide sufficient funds to cover the premium.

Summary

An Executive Summary is provided by the Agency’s Insurance Broker, John O’Neill, President of Risk Strategies Insurance Brokerage in **Attachment A** and is excerpted below.

“Our recommendation is the \$500,000 Deductible. This deductible seems to make the most fiscal sense, as it reduces the retention from \$2.5 million to \$500,000, a difference of \$2 million per occurrence. The annual premium difference is \$248,688. Actuarial Studies shows one loss on average every eight years for property losses, so at the \$500,000 deductible level you come out ahead if you have no losses for five years”.

Analysis

The SBWMA’s Property insurance policy with Hanover Insurance expires in June 30, 2017 and, the company has provided notice that they will not be offering to renew insurance coverage for the buildings and equipment at Shoreway. Anticipating potential challenges to finding insurance coverage after the MRF and Transfer Station fires in September 2016, Risk Strategies in Burlingame, the SBWMA’s insurance broker, began the process of bidding the SBWMA insurance coverage. John O’Neill from Risk Strategies presented at the May Board meeting

and provided a summary of his policy search findings. The Board requested that Mr. O'Neill return to the June Board meeting with property insurance options based on different deductible and premium scenarios. John will be making a presentation at the June Board meeting. Since the Insurance policy option selection has an impact on the Budget, the following relevant FY17/18 Budget line items are provided for reference:

- 1) Operating budget line item for Insurance = \$576,500.
- 2) Agency Reserve Balances are:
 - a. EMERGENCY RESERVE = \$4.41M, and
 - b. CAPITAL RESERVE = \$4.62M.

In conducting their Insurance search, Risk Strategies approached the JPA property pools (these pools are the largest property pools in the world, as they contain the City Government Business, School Districts, Water and Sanitary Districts, etc) about coverage options within the pools. However, David Mudgway, the senior vice president of Alliant said that, with the loss history on SBWMA they are not able to accommodate any coverage for the SBWMA through the pool.

Background

The current insurance coverage levels (see **Table 2.**) were established in consultation with SBWMA and the 2016/17 cost of coverage of the expiring policy with Hanover is \$179,596. The SBWMA has maintained a property & fire damage insurance policy with Hanover Insurance for the past two-years on the value of the Shoreway property and equipment at \$57.3 million. The Board decided not to purchase Earthquake insurance because the Agency maintains an Emergency Reserve. The SBWMA's property insurance policy was last put out for competitive bid by Risk Strategies in 2016 and was renewed with Hanover with no increase in premium from the prior year 15/16.

Table 2. Hanover Insurance coverage

- \$37 Million Buildings
- \$20 Million Personal Property
- \$4.5 Million Business Income
- The deductible is \$5,000

Attachments:

- Resolution 2017-28
- Attachment A - Executive Summary by Risk Strategies
- Attachment B - Proposed Policy by Risk Strategies



RESOLUTION NO. 2017- 28

RESOLUTION OF THE SOUTH BAYSIDE WASTE MANAGEMENT AUTHORITY BOARD OF DIRECTORS Resolution Approving Property/Fire Insurance Policy for FY17/18

WHEREAS, the SBWMA owns and maintains the Shoreway Environmental Center,

WHEREAS, the SBWMA requires property insurance for risk coverage of the Shoreway Property,

NOW, THEREFORE BE IT RESOLVED that the South Bayside Waste Management Authority hereby approves a Resolution Approving Property/Fire Insurance Policy for FY17/18.

PASSED AND ADOPTED by the Board of Directors of the South Bayside Waste Management Authority, County of San Mateo, State of California on the 22nd day of June, 2017, by the following vote:

Agency	Yes	No	Abstain	Absent	Agency	Yes	No	Abstain	Absent
Atherton					Menlo Park				
Belmont					Redwood City				
Burlingame					San Carlos				
East Palo Alto					San Mateo				
Foster City					County of San Mateo				
Hillsborough					West Bay Sanitary Dist				

I HEREBY CERTIFY that the foregoing Resolution No. 2017- 28 was duly and regularly adopted at a regular meeting of the South Bayside Waste Management Authority on June 22, 2017.

ATTEST:

Bob Grassilli, Chairperson of SBWMA

Cyndi Urman, Board Secretary



Attachment A - Executive Summary by Risk Strategies

Executive Summary

In follow up to the Board of Directors Meeting of last month, in which the Board requested that we obtain various optional deductibles, we have attached the above document. The following is the outcome of the optional deductibles:

\$2.5 million deductible is \$518,321.22

\$1.5 million deductible is \$619,441.22

\$1.0 million deductible is \$683,417.22

\$750,000 deductible is \$735,533.22

\$500,000 deductible is \$767,009.22

Our recommendation is the \$500,000 Deductible. This deductible seems to make the most fiscal sense, as it reduces the retention from \$2.5 million to \$500,000, a difference of \$2 million per occurrence. The annual premium difference is \$248,688. Actuarial Studies shows one loss on average every eight years for property losses, so at the \$500,000 deductible level you come out ahead if you have no losses for five years.

The property program is being surcharged to account for the fire losses, and will remain in a surcharged position for a period of 3-5 years depending upon what additional risk management controls are enacted during that time. Fire suppression remains the overriding concern from an underwriting perspective. We had our loss control staff evaluate what it would take to amend the underwriters' position of this being a less favorable risk to a more favorable risk and the universal response was sprinkling of the equipment, and having an automated fire response as opposed to a human generated response. What this might look like and the cost involved in achieving this are as yet undetermined.

Our recommendation to the board is to review the current renewal program that we are presenting which provides the necessary coverage and limits and then take action to approve the renewal program at the June 22 meeting for the June 30, 2017 property insurance renewal date.

Sincerely,

John O'Neill, AAI, ARM
Managing Director
Risk Strategies Company

700 Airport Boulevard • Suite 300 • Burlingame, CA 94010
Phone 650.762.0400 • Fax 650.762.0490 • www.risk-strategies.com
California Insurance License 0F06675



2017 Property Insurance Proposal

For:

South Bayside Waste Management Authority

Exec: John D O'Neill | Rep: June Tong | May 15, 2017

2017 Property - Insurance Summary

For: South Bayside Waste Management Authority

Exec: John D O'Neill | Rep: June Tong | May 15, 2017



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2017 Property - Insurance Summary

For: South Bayside Waste Management Authority
Exec: John D O'Neill | Rep: June Tong | May 15, 2017



Introduction

Risk Strategies Company is a privately-held, national insurance brokerage firm with over 20 office locations. Ranked in the top 25 brokers in the US, we offer sophisticated risk management, property & casualty and employee benefits advice and insurance placement. We serve companies of all sizes, non-profits, public entities, and individuals, and have access to all major insurance markets.



Beyond providing traditional risk management advice and insurance management services, we bring value to our clients by offering a differentiated approach. At Risk Strategies Company, this means:

- **Client focus** - We have a passion for finding creative, cost-effective risk solutions that meet the specific needs and circumstances of each and every client.
- **Teamwork and an entrepreneurial approach** – This is core to how we work.
- **Deep expertise and “A team” talent** - We are confident in our ability to understand your business and deliver the highest quality services available in the risk management brokerage industry.
- **Independence and objectivity** - We conduct each client engagement with an unbiased view, challenging conventional methods and where appropriate, developing alternatives to traditional solutions.
- **Execution and focus** - Practicality and execution are as important as designing sound strategy. After developing the right risk management approach, Risk Strategies Company utilizes the proper resources in order to deliver an effective solution.

We understand risk and how to manage it. We are creative in approach and practical in execution. Most importantly, we care passionately about our clients and are fully invested in their success.

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2017 Property - Insurance Summary

For: South Bayside Waste Management Authority
Exec: John D O'Neill | Rep: June Tong | May 15, 2017



Named Insured

Named Insured: **South Bayside Waste Management Authority**

Mailing Address: 610 Elm Street, Suite 202
San Carlos, CA 94070

Phone: (650)802-3500

RSC Service Team

RSC SERVICE TEAM FOR **SOUTH BAYSIDE WASTE MANAGEMENT AUTHORITY**

Client Executive: **John D O'Neill, AIA, ARM**
(650)762-0403
joneill@risk-strategies.com

Account Executive: **June Tong, CISR**
(650)762-0413
jtong@risk-strategies.com

Account Assistant: **Lee Lebherz, CISR**
(650)425-3023
llebherz@risk-strategies.com

Servicing Office: **Risk Strategies Company**
700 Airport Blvd., Suite 300
Burlingame CA 94010
(650)762-0400 phone
(650)762-0490 fax

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2017 Property - Insurance Summary

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When to Contact Us

It is important that you advise us of any material changes in your operation which may have a bearing on your insurance program. Your insurers have evaluated and accepted the risks on the basis of information given. Any variation of these details could lead to complication in the event of a loss.

These changes may include, but are not limited to:

- Change in ownership status.
- Change of mailing address, telephone number or fax number.
- Changes of personnel affecting responsibility for insurance decisions.
- If 25% or more of any building you own becomes vacant or unoccupied for more than 30 days.
- Personnel traveling overseas/on temporary assignment overseas/working on military bases.
- Personnel traveling to/on temporary assignment in/working in New York State. You may be required to obtain Workers' Compensation and Disability Benefits policies.
- Use of Independent Contractors - carriers now require proof that they are running a separate business and have their own insurance coverage. You may be asked to provide copies of 1099s, certificates of insurance, business cards, their invoice and/or their website address/yellow pages entry to avoid inclusion as employees of your company.
- Acquisition or creation of new companies or subsidiaries and/or mergers in which you are involved or any legal change in the corporate structure.
- Purchase, construction or occupancy of new premises; alteration, vacating the premises or temporary unoccupancy; extension or demolition of existing premises. This applies for both domestic and foreign locations.
- Increase in values of building or business personal property for both scheduled and unnamed locations.
- Removal of business personal property or stock to new or temporary locations.
- Addition of new locations, equipment or vehicles, whether hired, leased or borrowed.
- Changes in processes, occupancy, products or business operations.
- Addition, alteration or temporary disconnection of fire or burglary protection systems.
- Use of owned or non-owned aircraft or watercraft.
- Major changes in value or nature of goods being shipped.
- Employment of personnel in states in which you were previously not doing business.
- Election or appointment of a new CEO or COO, or change in control of either the Board of Directors or the stock ownership of the company.
- Changes in ERISA Plan assets.
- Addition of new drivers for the company.

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Loss Experience

Based on the Loss Run as of 5/2/2017, no losses since 2007, except the following:

Date of Loss	09/07/2016	09/11/2016	
Cause of Loss	See the following extensive description of the MRF and Transfer Station fire losses, the cause, the location, what was damaged and measures taken to mitigate the fire exposure.		
			Total:
Gross Loss Paid	\$ 8,506,669	\$ 98,714	\$ 8,605,384
Gross Loss Reserve on the open claims	\$ 603,330	\$ 200,000	\$ 803,330
Projected Close date	End of June 2017		
Anticipated Paid Amount	\$ 10,000,000		
Impact on the Property Insurance	Two large losses are considered as high risk. Although this is a tough class of business, it is possibly eligible for standard insurance is about four years		

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2017 Property - Insurance Summary

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Details of the claims and Actions taken



A Public Agency

September 7, 2016 – MRF Fire

1. *Need details of the fire* - The fire at the materials recovery facility (MRF) occurred at 9:35pm on Wednesday September 7th. No injuries occurred to any staff or firefighters. Firefighters provided a prompt response to the 4-alarm fire, including over 25 trucks, engines, and support vehicles.
2. *Cause of fire (Our file shows it was under investigation)*. Despite having detailed video of the start of the fire, the specific ignition source of the fire was investigated and was inconclusive but was determined to be started by some ignitable/combustible item in the recyclables processed at the facility (likely candidates are lithium-ion battery or propane cylinder). Detailed video
3. *Location of fire (if location part of application; is building(s)/structure(s) part of the application)* The fire started in the middle of the materials process line – specifically in the newspaper screen. This screen is in the middle of the flow of materials and the fire spread by conveyor downstream from the ignition source.
4. *What was damaged: Building(s), Stock, Machinery*. The building was minimally damaged, while part of the recycling equipment that process the materials suffered damage. There was extensive smoke damage from the fire.
5. *Has damaged property been repaired/replaced?* The restoration process for the MRF took 5-months. The majority of the time and money was spent cleaning the plant and smoke damage. Portions of the MRF processing equipment were replaced at a cost of about \$2M and took roughly 2 months to complete. There was some damage to metal roof and wall panels and these are being replaced.
6. *Measures were taken to avoid it happening again, if possible*. The MRF Building was built in 2010. The fire department inspected the buildings fire suppression systems and determined that they worked as designed and did a very good job of containing the fire. The building's sprinkler system capabilities were built with a foam-agent for extra suppression. This system is connected to the fire alert system that automatically notifies the local fire department. The *Fire Hazard Mitigation Plan* describes the many steps that the agency and facility operator have implemented before and after the September fire to reduce fire risk and supplement the onsite fire suppression capabilities.

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Details of the claims and Actions taken (Cont'd)

September 11, 2016 – Transfer Station Fire

- 1. Need details of the fire* The fire at the transfer station building and occurred at 11:35pm on Sunday September 11th. No injuries occurred to any staff or firefighters. Firefighters provided a prompt response to the fire including 5 trucks engines, and support vehicles. With the support of the loaders and staff on site who dragged the smoldering materials out of the building where they could be more easily deluged by the fire fighters, the fire was quickly extinguished.
- 2. Cause of fire (Our file shows: Pile of Refuse Ignited).* The fire started in a pile of refuse that had been dropped off by a self-haul customer that day. The specific ignition source of the fire was investigated and was inconclusive but was determined to be started by some ignitable/combustible item in the garbage (likely candidates are small quantities of pool or cleaning chemical that mixed in the pile)
- 3. Location of fire (if location part of application; is building(s)/structure(s) part of the application).* The fire started in a pile of waste that was sitting on the floor of the transfer station. The transfer station is a 70,000 sqft free-span building and the pile was on the concrete floor.
- 4. What was damaged: Building(s), Stock, Machinery...* There was no damage to the building. There was damage to a conveyor that was above the fire.
- 5. Has damaged property been repaired/replaced?* The damaged conveyor is being replaced at a cost of \$200K.
- 6. Measures were taken to avoid it happening again, if possible.* The transfer station building was expanded and the fire suppression system was updated in 2010. The fire department inspected the buildings fire suppression systems and determined that they worked as designed and did a very good job of containing the fire. The building's sprinkler system capabilities were built with a foam-agent for extra suppression. This system is connected to the fire alert system that automatically notifies the local fire department. The *Fire Hazard Mitigation Plan* describes the many steps that the agency and facility operator have implemented before and after the September fire to reduce fire risk and supplement the onsite fire suppression capabilities.

Note: Fire Hazard Mitigation Plan is on a separate document.

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Expiring Property Policy Information

Policy Number	Line of Business	Effective/Expiration	Writing Company	Premium
M002678-16	Property	7/1/16 to 7/1/17	Verlan Fire – Hanover	\$179,596

Coverage	Amount
----------	--------

Premise 01

225-333 Shoreway, San Carlos CA 94070

Premise 02

610 Elm St, Suite 202, San Carlos CA 94070

Premise 01

Buildings

37,049,350

No Coinsurance, Agreed Amount, Replacement Cost,
 Special form perils & \$5,000 Deductible

Personal Property (MRF Equipment and the Scales)

20,215,800

No Coinsurance, Agreed Amount, Replacement Cost,
 Special form perils & \$5,000 Deductible

Business Income including Extra Expense (Admin Bldg,
 Transfer Station)

4,514,000

Actual Loss Sustained (no monthly limitation), Special
 form perils & \$5,000 deductible

Premise 02

Personal Property

90,000

No Coinsurance, Agreed Amount, Replacement Cost,
 Special form perils & \$5,000 Deductible

Business Income including Extra Expense (SBWMA's
 Office)

100,000

Actual Loss Sustained (no monthly limitation), Special
 form perils & \$5,000 deductible

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2017 Property - Insurance Summary

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Expiring Property Policy Information (Cont'd)

Policy Number	Line of Business	Effective/Expiration	Writing Company
M002678-16	Property	7/1/16 to 7/1/17	Verlan Fire – Hanover

Coverage	Amount
----------	--------

Boiler & Machinery/Equipment Breakdown Deductible: \$10,000	Included
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Endorsement added, excluding solar panels & its related equipment

All locations:	
Electronic Equipment	50,000
Media	0
Property in Transit or temp location Deductible: \$1,000	25,000

Terrorism insurance is Excluded

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Expiring Property Policy Information (Cont'd)

Policy Number	Line of Business	Effective/Expiration	Writing Company
M002678-16	Property	7/1/16 to 7/1/17	Verlan Fire – Hanover

2016 Property Values - Breakdown of Values by location

	Building	Business Personal Property	Business Income
Administration			
225-333 Shoreway Road	\$ 755,350		\$ 1,000,000
San Carlos CA 94070			
Transfer Station			
225-333 Shoreway Road	\$ 17,801,000		\$ 2,000,000
San Carlos CA 94070			
Material Recovery Facility		Equipment:	
225-333 Shoreway Road	\$ 14,171,000	\$ 17,810,800	\$ 1,514,000
San Carlos CA 94070			
Maintenance Shop			
225-333 Shoreway Road	\$ 2,952,000		
San Carlos CA 94070			
Container Repair/Wash Rack			
225-333 Shoreway Road	\$ 1,350,000		
San Carlos CA 94070			
2 Permanent Trailers			
225-333 Shoreway Road	\$ 20,000		
San Carlos CA 94070			
Scales			
225-333 Shoreway Road		\$ 2,405,000	
San Carlos CA 94070			
Location #1 total:	\$37,049,350	\$20,215,800	\$4,514,000
SBWMA's Office			
610 Elm St., #202		\$ 90,000	\$ 100,000
San Mateo CA 94070			

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2017 Property - Insurance Summary

For: South Bayside Waste Management Authority

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2017 PROPERTY VALUES

Loc #	Address	Building Value	Business Personal Property	Business Income
1	225-233 Shoreway Road, San Carlos, CA 94070			
	Administration Building	\$775,350		
	Transfer Station	\$17,801,000		
	Material Recovery Facility	\$14,171,000		
	Equipment		\$17,810,000	
	Maintenance Shop	\$2,952,000		
	Container Repair/Wash Rack	\$1,350,000		
	2 Permanent Trailers	\$20,000		
	Truck Scales (One large above & below ground)		\$2,405,000	
	Total Location Limits:	\$37,069,350	\$20,215,000	\$10,949,806
2	610 Elm St., #202, San Mateo CA 94070			
	SBWMA's Office (Multi-tenant office building)		\$90,000	\$100,000
	Total Insured Value:			
	\$68,424,156	\$37,069,350	\$20,305,000	\$11,049,806

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2017 Property - Insurance Summary

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July 1, 2017

Property Policies in layers

First Layer:	\$10,000,000	of TIV, \$68,424,156		
Carrier:	First Specialty Insurance Corp, Swiss Re Excess & Surplus Property			
Perils:	"All Risk" excluding Equipment Breakdown/Boiler & Machinery			
	<i>Deductible</i>	<i>Premium</i>	<i>Tax/Fees</i>	<i>Total Premium</i>
	\$2,500,000	\$300,000	\$14,600	\$314,600

Second Layer, part I:	\$5,000,000	part of \$10,000,000 Second layer		
Carrier:	Aspen Specialty Insurance Company, RSUI			
Perils:	"All Risk" excluding Equipment Breakdown			
	<i>Deductible</i>	<i>Premium</i>	<i>Tax/Fees</i>	<i>Part I, total premium</i>
	\$2,500,000	\$40,000	\$1,280	\$41,280

Second Layer, part II:	\$5,000,000	, part of \$10,000,000 Second layer		
Carrier:	Landmark American Insurance Company, RSUI			
Perils:	"All Risk" excluding Equipment Breakdown			
	<i>Deductible</i>	<i>Premium</i>	<i>Tax/Fees</i>	<i>Part II, total premium</i>
	\$2,500,000	\$40,000	\$1,280	\$41,280

Third Layer:	\$10,000,000			
Carrier:	Hudson Excess Insurance Company, Commonwealth Specialty			
Perils:	"All Risk" including Equipment Breakdown			
	<i>Deductible</i>	<i>Premium</i>	<i>Tax/Fees</i>	<i>Total Premium</i>
	\$2,500,000	\$25,000	\$800	\$25,800

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2017 Property - Insurance Summary

For: South Bayside Waste Management Authority
 Exec: John D O'Neill | Rep: June Tong | May 15, 2017



July 1, 2017
Property Policies in layers (cont'd)

Fourth Layer:	\$20,000,000 of \$30,000,000 excess			
Carrier:	James River Casualty Company			
Perils:	"All Risk" including Equipment Breakdown			
	<i>Deductible</i>	<i>Premium</i>	<i>Tax/Fees</i>	<i>Total Premium</i>
	\$2,500,000	\$43,340.00	\$1,902.88	\$45,242.88

Fifth Layer:	\$10,000,000 of \$30,000,000 excess			
Carrier:	Lloyds of London, BRIT			
Perils:	"All Risk" including Equipment Breakdown			
	<i>Deductible</i>	<i>Premium</i>	<i>Tax/Fees</i>	<i>Total Premium</i>
	\$2,500,000	\$21,667.00	\$951.34	\$22,618.34

All layers total to:	\$60,000,000	Total Limits	\$490,821.22 Premium
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Equipment Breakdown Policy	\$60,000,000	Limit	\$27,500.00 Premium
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	\$518,321.22 Total Premium
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Marketing Survey

Risk Strategies Company markets that might write this:

ACE c/o Alliant Specialty (Waste program) – Declined – Not a market for stand alone Property

Affiliated FM – Submitted to various underwriters, no response

AmWins (Waste program) – Declined due to the owner-operator exposure

Berkley – Declined – Market only for casualty (liability) insurance

Philadelphia (Environmental Dept) – Declined due to the class of business

Travelers (for due diligence with a standard market) – Declined due to losses

XL c/o Solid Waste Insurance Management – Declined due to the size of the account

CRC Swett & Company, markets approached & responses:

Commonwealth

AMRISC

AWAC

AIG

ACE

AXIS

ASPEN

Atlas

Affiliated FM

Berkshire Hathaway

Hanover

RSUI

Everest

Liberty

One Beacon

RLI –

RK Harrison

Star Specialty

Swiss Re

V3

XL

Markel – Decline – Class of Business and Loss History

Nationwide - Decline – Class of Business

Freberg – Decline – Not a property market

Beazley – Decline – Class of Business

Starr – Decline – Class of Business

Arch – Decline

Admiral – Decline – Class of Business

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Coverage Considerations

The following coverages are not purchased or handled by us. Please contact us if you would a quote on any of these coverages.

Coverage	Notes
General Liability: Bodily injury and/or property damage coverage as respects suits brought by third parties, which the Named Insured may be found legally obligated to pay	
Flood and/or Earthquake: Damage to real or personal property and resulting loss of earnings, etc.	
Business Interruption: Loss of net profit, before taxes, plus continuing expense.	
Off Premises Service Interruption - Power, Communication and Water: Business Income Loss and Direct Damage.	
Extra Expense: Expenses to continue operations after a loss, which are above those normal to the business.	
Valuable Papers: Cost to reproduce or reconstruct valuable documents.	
Accounts Receivable: Uncollectible receivables in event of a loss plus cost to reproduce and interest expense.	
Boilers and other Steam Pressure Vessels and System Breakdown: Explosion or sudden and accidental breakdown and resultant loss of earnings, this can be extended to other equipment such as miscellaneous electrical apparatus, air conditioning equipment, etc.	
Fidelity: Loss of money or other property from an employee's dishonest act.	
Depositors Forgery: forgery or alteration of checks, etc. by anyone.	
Money & Securities: Loss of money or securities by any means.	
Data Processing Hardware and/or Media: Direct damage and resulting extra expense.	
Plate Glass: Breakage by any means.	
Water Damage: Sewer and Drains Backup and Seepage.	

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Coverage Considerations Cont.

<p>Hired & Non-Owned Auto Liability: Coverage for vehicle rented, leased or borrowed by the corporation for 3rd party liability only.</p>	
<p>Hired Auto Physical Damage: Property damage to a hired vehicle.</p>	
<p>Drive Other Car Coverage: Liability for Named Individuals on an Automobile policy. (This coverage is necessary for employees, directors, officers, owners, and their families that do not have a personal Automobile policy).</p>	
<p>Commercial Automobile Coverage: Physical loss/damage and Liability to owned business vehicles.</p>	
<p>Employee Benefits Liability: Protects against suits by employees (or estate) for misinforming about benefits.</p>	
<p>Intellectual Property: Provides coverage for infringement of patent, copyright, trademark, service mark or trade name or unfair competition based upon actual or alleged infringement of patent, copyright, trademark, service mark or trade name.</p>	
<p>Workers' Compensation Coverage: This coverage is mandatory in <u>ALL STATES</u> if you have any employees. If any of your employees are not currently covered under Workers' Compensation, please notify us immediately.</p>	
<p>Stop Gap Liability: Employers' Liability Coverage for Monopolistic Workers' Compensation States. This coverage is needed if you have payroll in any of the following Monopolistic States: MT, ND, OH, WA, WV, and WY.</p>	
<p>Disability Benefits Liability: This coverage is mandatory in the states of New York, New Jersey, California, Hawaii, and Puerto Rico if you have any employees. Please notify our office immediately if you have employees in any of these states and currently do not have a Disability Benefits Liability Policy.</p>	
<p>Umbrella Liability: Catastrophe liability coverage in excess of basic third party liability policies. (General Liability, Automobile, Employer Liability, etc.)</p>	
<p>Fiduciary Liability: Protects the administrators of ERISA plans against 3rd party suits alleging wrongful management or breach of duties concerning the plan assets.</p>	
<p>Professional Liability: Any economic damages resulting from alleged negligence or failure to render your professional services to others.</p>	
<p>Media Liability: Protects against claims alleging defamation, libel, slander, infringement of trademark and copyright, invasion of privacy arising from any content created and disseminated by you whether electronically or in print.</p>	

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Coverage Considerations Cont.

<p>Security & Privacy Liability: Protects against claims alleging a failure in maintaining your network security and the private information of others. This policy also provides reimbursement for expenses directly incurred by you including forensic costs, statutory notification, and credit monitoring.</p>	
<p>Employment Related Practices Liability: Protects against suits by employees including former and prospective employees alleging wrongful termination, discrimination, and sexual harassment. These types of losses are excluded from general liability and workers compensation policies.</p>	
<p>Directors and Officers Liability: Affords protection for Directors & Officers (profit & non-profit) as respects to their business decisions for the corporation.</p>	
<p>Fine Art Title Insurance: Object specific coverage against questions of legal ownership, government seizure and liens from previous owners. Policy provides for defense costs in addition to insuring the value of an artwork.</p>	
<p>ERISA Bond: Mandatory Dishonesty Coverage equal 10% of your pension plan assets.</p>	
<p>Group Travel: Accidental death or dismemberment coverage for business or pleasure travel.</p>	
<p>Kidnap and Ransom: Reimbursement for monies paid to kidnappers or extortionists.</p>	
<p>Terrorism Risk Coverage: Coverage for Certified Acts of Terrorism</p>	
<p>Available Products for Employee Benefits and Financial Planning: Life and Health products, Employee Benefits programs, Estate Planning, Long Term Care and Disability, Annuities, Asset Protection , 100% Executive Medical Reimbursement Plan.</p>	
<p>Available Personal Lines Products: Homeowners, Co-ops, Condominiums, Vacation and Second Residence, Automobiles, Aircraft, Jewelry and Fine Arts, Watercraft.</p>	

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Office Locations

Risk Strategies Company Headquarters - Boston, MA

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Chicago Metro 650 Dundee Road Suite 170 Northbrook IL 60062 (847) 412-1013	Long Island One Hollow Lane Suite 206 Lake Success NY 11042 (516) 858-5770	Los Angeles 801 N. Brand Blvd. Suite 650 Glendale CA 91203 (818) 623-5400	Memphis 5141 Wheelis Drive Memphis TN 38117 (901) 820-0400	Minneapolis 10 South Street Suite 1109 Minneapolis MN 55402 (612) 766-9780
Nashville 104 Woodmont Blvd. Suite 400 Nashville TN 37205 (615) 383-0072	New Jersey 1086 Teaneck Road Suite 5B Teaneck NJ 07666 (201) 837-1100	New York City 420 Lexington Ave Suite 2700 New York City NY 10170 (212) 867-3550	Orange County 2040 Main Street Suite 450 Irvine CA 92614 (949) 242-9240	Portsmouth 1 New Hampshire Avenue, Suite 120 Portsmouth NH 03801 (603) 778-8985
Providence 10 Dorrance Street Suite 505 Providence RI 02903 (401) 831-1463	Sacramento 1400 Rocky Ridge Dr. Suite 280 Roseville CA 95661 (916) 367-4310	San Francisco 700 Airport Blvd., Suite 300, Burlingame CA 94010 (650) 762-0400	Worcester 446 Main Street 14 th Floor Worcester MA 01608 (508) 798-0893	

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