

**CLEVELAND PUBLIC LIBRARY**

**Special Board Meeting**

August 9, 2018

**RESOLUTION TO RATIFY AND APPROVE THE PURCHASE OF INSURANCE  
COVERAGE FOR POLICIES EFFECTIVE AUGUST 1, 2018**

WHEREAS, On September 21, 2017, the Board of Library Trustees authorized the renewal of the insurance packages stated within this Resolution for four, one-year renewal periods commencing on August 1, 2018, provided terms, conditions, and pricing remained comparable to the current programs and consistent with then current market conditions; and

WHEREAS, On June 19, 2018, 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 \$479,020, and the coverage purchased would be presented for ratification by the Board of Library Trustees at their next regularly scheduled meeting; and

WHEREAS, McGowan Insurance, the Library's insurance broker, sought proposals from other carriers for general liability, commercial auto, umbrella liability, and excess liability policies because our incumbent carrier had proposed a rate increase for 2018-2019; and

WHEREAS, Library Administration reviewed and recommended the following proposed renewal policies providing coverage to meet the Library's risk needs at cost effective premiums:

**EXHIBIT 4**

<b>Coverage</b>	<b>Expiring Premium</b>	<b>Incumbent Carrier</b>	<b>Incumbent Renewal</b>	<b>Proposed Carrier</b>	<b>Proposed Renewal</b>
Property, including Boiler & Machinery	\$209,200	Affiliated FM	\$218,300 (not-to-exceed)	Affiliated FM	\$218,300 (not-to-exceed)
General Liability, including Employee Benefits and separate Employers Liability, Abuse and Molestation and Law Enforcement policies	\$54,674 (annualized)	Philadelphia Indemnity Insurance Company	\$79,973	Liberty Mutual Insurance Company	\$45,095
Commercial Auto	\$34,866 (annualized)	Philadelphia Indemnity Insurance Company	\$33,407	Liberty Mutual Insurance Company	\$39,274
\$10 million Excess Liability	\$30,251	Philadelphia Indemnity Insurance Company	\$39,341	Liberty Mutual Insurance Company	\$18,343
\$15 million Excess Liability over \$10 million Excess Liability	\$15,150	Ohio Casualty Insurance Company	\$15,150	Travelers Insurance Company	\$15,150
Crime	\$9,850	Travelers Casualty and Surety Company of America	\$9,850	Travelers Casualty and Surety Company of America	\$9,850
Cyber Liability	\$14,324	Illinois National Insurance Company - AIG	\$13,965	Illinois National Insurance Company - AIG	\$13,965
Public Officials and Employment Practices Liability	\$44,299 (annualized)	Illinois National Insurance Company - AIG	\$44,301	Illinois National Insurance Company - AIG	\$44,301
<b>Total Premium</b>	<b>\$412,614</b>		<b>\$454,287</b>		<b>\$404,278</b>

WHEREAS, The Library's Executive Director is authorized to accept the Property, General Liability, Automotive, Excess Liability, Crime, Cyber Liability and Public Officials and Employment Practices Liability as presented by McGowan for coverage effective August 1, 2018; and

WHEREAS, The combined annual proposed renewal premiums yielded a 2% savings (or \$8,336) compared to the expiring program premiums, and an 11% savings (or \$50,009) compared to the incumbent renewal premiums; now therefore be it

#### **EXHIBIT 4**

RESOLVED, That the Board of Library Trustees ratifies the decision to purchase Property, General Liability, Automotive, Excess Liability, Crime, Cyber Liability and Public Officials Liability and Employment Practices Liability Insurance through McGowan & Co., Inc. for the second year's premium not-to-exceed \$404,278 for the period August 1, 2018 through August 1, 2019; and be it further

RESOLVED, That it is the intention of this Board to renew the insurance packages stated within this Resolution for three, one-year renewal periods commencing on August 1, 2019, provided terms, conditions, and pricing remain comparable to the current programs and consistent with then current market conditions.

**OPTION #1**  
**AN INSURANCE PROPOSAL**  
**PREPARED FOR:**

*CLEVELAND PUBLIC LIBRARY  
325 SUPERIOR AVENUE  
CLEVELAND, OH 44114*



**PRESENTED BY:**

*PATRICK MUSCENTI  
ALLISON CASSTEVENS  
MCGOWAN INSURANCE  
20595 LORAIN ROAD  
FAIRVIEW PARK, OH 44126*

*JULY 30, 2018*

*UPDATED AUGUST 8, 2018*

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

## 2018-19 MARKETING SUMMARY

Carrier	Line of Business	Response
Argonaut	All Casualty Lines	Declined
Frankenmuth	All Casualty Lines	Declined
Liberty	All Casualty Lines	Quoted-
Philadelphia (Incumbent)	All Casualty Lines	Quoted
Travelers	All Casualty Lines	Declined- All Lines Except \$15M xs \$10M Excess

## GENERAL LIABILITY POLICY OUTLINE

**COMPANY: Liberty Mutual Insurance Company (Admitted / NEW)**

<b>COVERAGE</b>	<b>LIMIT</b>
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***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

***MAJOR POLICY TERMS & CONDITIONS:***

- Fellow Employee Exclusion Deleted
- Blanket Additional Insured & Waiver of Subrogation as required by written contract
- Sexual Abuse/Molestation Exclusion (Separate Policy with Liberty)
- Liberty General Liability Enhancement Endorsement
- Law Enforcement Exclusion ( Separate Policy with Liberty)

**TOTAL PREMIUM: \$39,052**

# LAW ENFORCEMENT PROFESSIONAL LIABILITY POLICY OUTLINE

**COMPANY:** Liberty Mutual Insurance Company (Admitted / NEW)

<b>COVERAGE</b>	<b>LIMIT</b>
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**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	\$10,000

**TOTAL PREMIUM: \$5,002**

# **SEXUAL MISCONDUCT & MOLESTATION LIABILITY POLICY OUTLINE**

**COMPANY:** Liberty Mutual Insurance Company (Admitted / NEW)

<b>COVERAGE</b>	<b>LIMIT</b>
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**SEXUAL MISCONDUCT & MOLESTATION – OCCURRENCE-BASIS:**

Each Wrongful Act	\$1,000,000
Aggregate	\$1,000,000
Innocent Party Aggregate Defense Expense Amount	\$1,000,000
Deductible Each Wrongful Act	\$2,500

**TOTAL PREMIUM: \$1,041**



## COMMERCIAL AUTO POLICY OUTLINE

**COMPANY:** Liberty Mutual Insurance Company (Admitted / NEW)

<b>COVERAGE</b>	<b>LIMIT</b>	<b>PER</b>
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

<b>COVERAGE</b>	<b>SYMBOL</b>	<b>APPLICABLE TO:</b>	<b>DEDUCTIBLE</b>
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

**SUBJECT TO:**

1– Favorable Driving Records

**ANNUAL PREMIUM: \$39,274**

## **\$10M EXCESS LIABILITY POLICY OUTLINE**

**COMPANY: Liberty Mutual Insurance Company (Admitted / NEW)**

<b>COVERAGE</b>	<b>LIMIT</b>
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

**Employers Liability:**

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

***MAJOR POLICY TERMS AND CONDITIONS:***

- Follow Form

**ANNUAL PREMIUM: \$18,343**

# **\$15M xs \$10M EXCESS LIABILITY POLICY OUTLINE**

**COMPANY: Travelers Insurance Company (Admitted / NEW)**

<b>COVERAGE</b>	<b>LIMIT</b>
Per Occurrence	\$15,000,000
Aggregate	\$15,000,000

**UNDERLYING COVERAGE:**

**Philadelphia 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

**ANNUAL PREMIUM: \$15,150**

## CRIME POLICY OUTLINE

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

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

**TOTAL PREMIUM: \$9,850**

## CYBER POLICY OUTLINE

**COMPANY: Illinois National Insurance Company (Admitted / Incumbent)**

LIMIT OF LIABILITY:		\$1,000,000			
COVERAGE SUMMARY					
COVERAGE SECTION		SUBLIMIT OF LIABILITY	RETENTION	RETROACTIVE DATE	CONTINUITY DATE
SPL	Specialty Professional Liability Insurance	\$1,000,000	\$10,000	12/31/2015	08/01/2017
MC	Media Content Insurance	\$1,000,000	\$10,000	12/31/2015	08/01/2017
S&P	Security and Privacy Liability Insurance	\$1,000,000	\$10,000	Full Prior Acts	08/01/2017
	Regulatory Action Sublimit of Liability	\$1,000,000			
NI	Network Interruption Insurance	\$1,000,000	\$10,000	Not Applicable	Not Applicable
	Waiting Hours Period	12			
EM	Event Management Insurance	\$1,000,000	\$10,000	Not Applicable	Not Applicable
CE	Cyber Extortion Insurance	\$1,000,000	\$10,000	Not Applicable	Not Applicable

**TOTAL PREMIUM: \$13,965**

# ***PUBLIC OFFICIALS LIABILITY/EMPLOYMENT PRACTICES LIABILITY POLICY OUTLINE***

**INSURED:** Cleveland Public Library  
**CARRIER:** Illinois National Insurance Company (AIG) (Admitted / Incumbent)

**COVERAGE:** Public Officials Liability / Employment Practices Liability including Third-Party  
**FORM:** *Claims-Made Basis*

**RETRO-DATE:** Full Prior Acts

**LIMITS OF LIABILITY:** \$2,000,000 Each Claim / \$2,000,000 Policy Aggregate / Shared Limits

**DEDUCTIBLES:** Public Officials - \$50,000 Each Claim Including Defense Costs  
Employment Practices - \$100,000 Each Claim Including Defense Costs

**DEFENSE COSTS:** Outside the Limits of Liability

## **POLICY FORMS & ENDORSEMENTS:**

- ◆ PUNITIVE DAMAGES AMENDATORY ENDORSEMENT OHIO
- ◆ EXCLUSION (T) AMENDATORY ENDORSEMENT
- ◆ NOTICE OF CLAIM (REPORTING BY E-MAIL)
- ◆ FUNGUS AND MOLD EXCLUSION ENDORSEMENT
- ◆ OHIO CANCELLATION/NONRENEWAL ENDORSEMENT
- ◆ INTELLECTUAL PROPERTY EXCLUSION ENDORSEMENT
- ◆ ADDITIONAL COVERAGE FOR EMPLOYMENT PRACTICE VIOLATIONS ENDORSEMENT
- ◆ DOMESTIC PARTNER EXTENSION ENDORSEMENT
- ◆ DEFENSE PROVISIONS AMENDATORY ENDORSEMENT
- ◆ THIRD PARTY EMPLOYMENT PRACTICES VIOLATIONS ENDORSEMENT
- ◆ NOTICE/CLAIM REPORTING PROVISION AMENDATORY
- ◆ PUNITIVE DAMAGES COVERAGE ENDORSEMENT
- ◆ EEOC HEARING COVERAGE ENHANCEMENT ENDORSEMENT
- ◆ CANCELLATION CLAUSE AMENDED ENDORSEMENT
- ◆ STATE AMENDATORY INCONSISTENT ENDORSEMENT
- ◆ PENDING AND PRIOR LITIGATION EXCLUSION (EXCESS LIMITS) ENDORSEMENT

**TOTAL POLICY PREMIUM: \$44,301**

# ANNUAL PREMIUM SUMMARY

*Coverage Effective Date: August 1, 2018-19*

COVERAGE	CARRIER	2017-18 EXPIRING	2018-19 RENEWAL
Property	Affiliated	\$209,200	\$217,300
General Liability Employee Benefits Liability Ohio Employer's Liability	Philadelphia Liberty	\$54,674*	\$39,052
Abuse/Molestation	Philadelphia Liberty	Included Above	\$1,041
Law Enforcement	Philadelphia Liberty	Included Above	\$5,002
Commercial Auto	Philadelphia Liberty	\$34,866*	\$39,274
\$10M Excess Liability	Philadelphia Liberty	\$30,251	\$18,343
\$15M xs \$10M Excess Liability	Liberty Mutual Travelers	\$15,150	\$15,150
Crime	Travelers	\$9,850	\$9,850
Cyber	AIG	\$14,324	13,965
Public Officials/Employment Practices	AIG	\$44,299*	\$44,301
<b>Total Premium</b>		<b>\$412,614</b>	<b>\$403,278</b>

\*Annualized Premium

**OPTIONS:**

1. **Increase Public Officials/Employment Practices Coverage to \$3M for an additional \$11,597. If elected the deductible for Employee Practices would be increased from \$100K to \$125K and the Public Officials would remain at \$50K**

**SUBJECTIVITIES:**

1. **Written request to Bind (Received July 31)**
2. **Completed Microsoft Cloud Application for Cyber (Received July 31)**
3. **Copy of Fleet Management/Safety Program**
4. **Liberty Mutual Supplemental Application**

## OPTIONAL COVERAGES

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.