

CLEVELAND PUBLIC LIBRARY

Board Meeting

September 26, 2019

**RESOLUTION TO RATIFY AND APPROVE THE PURCHASE OF INSURANCE
COVERAGE FOR POLICIES EFFECTIVE AUGUST 1, 2019**

WHEREAS, On August 9, 2018, the Board of Library Trustees authorized the renewal of the insurance packages stated within this Resolution for three, one-year renewal periods commencing on August 1, 2019, provided terms, conditions, and pricing remained comparable to the current programs and consistent with then current market conditions; and

WHEREAS, On June 18, 2019, 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 \$447,688, and the coverage purchased would be presented for ratification by the Board of Library Trustees at their next regularly scheduled meeting; and

WHEREAS, The 2019 renewal premiums are as follows:

Coverage	Expiring Premium	Incumbent Carrier	Renewal
Property, including Boiler & Machinery	\$219,000 (annualized)	Affiliated FM Insurance Company	\$237,000
General Liability, including Employee Benefits Liability and Ohio Employer's Liability,	\$38,994.40 (annualized)	Liberty Mutual Insurance Company	\$40,479
Abuse and Molestation Liability	\$1,041	Liberty Mutual Insurance Company	\$981
Law Enforcement Professional Liability	\$5,002	Liberty Mutual Insurance Company	\$5,127
Automobile Liability	\$42,927.49 (annualized)	Liberty Mutual Insurance Company	\$44,850
\$10 million Excess Liability	\$18,343	Liberty Mutual Insurance Company	\$18,671

EXHIBIT 4

Coverage	Expiring Premium	Incumbent Carrier	Renewal
\$15 million Excess Liability over \$10 million Excess Liability	\$15,150	Travelers Insurance Company	\$15,150
Crime	\$9,850	Travelers Insurance Company	\$9,850
Cyber Liability	\$13,965	Illinois National Insurance Company - AIG	\$18,306* (Increased from \$1m to \$2m with a \$25k retention for additional premium of \$4,663)
Public Officials and Employment Practices Liability	\$44,301	Illinois National Insurance Company - AIG	\$49,539 (Added \$1m Enhanced Assault Coverage for additional premium of \$995)
Total Premium	\$408,573.89		\$439,953

;and

WHEREAS, The Library's Executive Director is authorized to accept the Property, General Liability, Abuse and Molestation 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, 2019; and

WHEREAS, The combined annual renewal premiums yielded a 6.3% increase in cost (or \$25,721) compared to the expiring program premiums, not including the additional premiums paid of \$5,658 for additional coverage; now therefore be it

RESOLVED, That the Board of Library Trustees ratifies the decision to purchase Property, General Liability, Abuse and Molestation Liability, Law Enforcement Professional Liability, Automobile Liability, Excess Liability, Crime, Cyber Liability and Public Officials and Employment Practices Liability through McGowan Insurance for the third year's premium not-to-exceed \$439,953 for the period August 1, 2019 through August 1, 2020; and be it further

RESOLVED, That it is the intention of this Board to renew the insurance packages stated within this Resolution for two, one-year renewal periods commencing on August 1, 2020, 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 25, 2019

Updated on August 7, 2019

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
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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:

- 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 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
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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	\$2,500

SEXUAL MISCONDUCT & MOLESTATION LIABILITY POLICY OUTLINE

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

COVERAGE	LIMIT
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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	Included Above
Deductible Each Wrongful Act	\$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 17

SUBJECT TO:

- 1– Favorable Driving Records per drivers list received on May 17
 - Kevin Embrose has been put on a watch list, but is allowed to drive. Liberty will rerun the MVR in 6 months to reevaluate if he will be able to continue driving or not.
 - Liberty is getting a no hit for the following drivers:
 - Luke Pentowski
 - Mark Taylor

\$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

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

CYBER POLICY OUTLINE

COMPANY: Illinois National Insurance Company (Admitted / Incumbent)

Specialty Professional Liability Insurance (SPL)	
Sublimit of Liability	\$2,000,000
Retention	\$25,000
Continuity Date	08/01/2017
Retroactive Date	12/31/2015

Media Content Insurance (MC)	
Sublimit of Liability	\$2,000,000
Retention	\$25,000
Continuity Date	08/01/2017
Retroactive Date	12/31/2015

CyberEdge Security and Privacy Liability	
Sublimit of Liability	\$2,000,000
Regulatory Action Sublimit of Liability	\$2,000,000
Retention	\$25,000
Continuity Date	08/01/2017
Retroactive Date	Full Prior Acts

CyberEdge Network Interruption Insurance	
Sublimit of Liability	\$2,000,000
Waiting Hours Period	12 Hours
Retention	\$25,000
Continuity Date	Not Applicable
Retroactive Date	Not Applicable

CyberEdge Event Management Insurance	
Sublimit of Liability	\$2,000,000
Retention	\$25,000
Continuity Date	Not Applicable
Retroactive Date	Not Applicable

CyberEdge Cyber Extortion Insurance	
Sublimit of Liability	\$2,000,000
Retention	\$25,000
Continuity Date	Not Applicable
Retroactive Date	Not Applicable

PUBLIC OFFICIALS LIABILITY/EMPLOYMENT PRACTICES LIABILITY POLICY OUTLINE

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

- This year AIG has changed their Public Officials/Employment Practices form from their MuniPRO to their Leaders Risk Protector. With this new form included in the definition of damages is front and back pay. For your reference we have included a coverage analysis table that AIG has provided that addresses the changes in coverage to their new form. With this change in form EEOC Hearing Coverage is now included and there is no longer a need for a specific endorsement providing coverage.
- 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
- MNSCPT NOTICE/CLAIM REPORTING PROVISION AMENDATORY
- 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)
- 97531 03/08 OHIO AMENDATORY - CANCELLATION/NONRENEWAL
- 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)

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** 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** Earth Movement (Annual Aggregate)
- **\$100,000,000** Flood (Annual Aggregate)
- **\$3,000,000** Extra Expense
- **\$784,475,709** Valuable Papers at Main Library Building, 303-499 Superior Ave., Cleveland, OH
- **\$146,847,450** Valuable Papers at Louis Stokes Wing, 507-525 Superior Ave., Cleveland, OH
- **\$56,647,390** Valuable Papers at Lakeshore Storage, 17001 Lakeshore Blvd, Cleveland, OH
- **\$2,316,066** Valuable Papers at 1st Floor Cleveland City Hall, Cleveland, OH
- **\$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** Accounts Receivable
- **\$1,000,000** Data Programs or software annual aggregate
- **\$1,000,000** Data Restoration annual aggregate
- **Policy Limit** Demolition and increased cost of construction
- **\$500,000** **Fine Arts not to exceed \$10,000** per item for irreplaceable Fine Arts
- **\$200,000** Land & Water Clean-up Expense annual aggregate
- **2,500,000** Newly acquired property
- **50,000** Data Services Provider– Property Damage
- **\$2,500,000** Off Premises Service Interruption – Property Damage
- **Policy Limit** United States Certificate Act of Terrorism Coverage
- **1,000,000** Transit not to exceed **\$250,000** for Business Interruption
- **\$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 Cliffel Collection valued at **\$17,350**

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

ANNUAL PREMIUM SUMMARY

Coverage Effective Date: August 1, 2019-20

COVERAGE	CARRIER	2018-19 EXPIRING	2019-20 RENEWAL
Property	Affiliated	\$219,000*	\$237,000
General Liability Employee Benefits Liability Ohio Employer's Liability	Liberty	\$38,994.40*	\$40,479
Abuse/Molestation	Liberty	\$1,041	\$981
Law Enforcement	Liberty	\$5,002	\$5,127
Commercial Auto	Liberty	\$42,927.49*	\$44,850
\$10M Excess Liability	Liberty	\$18,343	\$19,278 \$18,671
\$15M xs \$10M Excess Liability	Travelers	\$15,150	\$15,150
Crime	Travelers	\$9,850	\$9,850
Cyber	AIG	13,965	\$13,643 \$18,306
Public Officials/Employment Practices	AIG	\$44,301	\$48,544 \$49,539
Total Premium		\$408,573.89	\$434,902 \$439,953

*Annualized Premium

In order to Bind:

1. *Written request to Bind – Received on July 31.*
2. *Signed Warranty Letter if \$5M Public Officials/Employment Practices option is purchased – N/A as option was not purchased.*
3. *Signed Warranty Letter if \$2M or \$5M Cyber/Tech E&O option is purchased – Received on July 31.*
4. *Completed Microsoft Cloud Supplemental for Cyber – Received on August 2.*
5. *Signed Statement of Values for property – Received on August 1.*
6. *Signed TRIA acceptance forms for Property, Excess Policies, General Liability, Abuse/Molestation and Law Enforcement – Received on August 2.*
7. *Signed UM/UIM acceptance/rejection forms for auto – N/A as Liberty only required if we were changing our options from last year. We have renewed the \$100,000 liability limit for uninsured/underinsured motorist coverage.*

OPTIONAL COVERAGES

2019-20 Options:

1. Increase Public Officials/Employment Practices from \$2M to \$5M with \$75K Public Officials Retention & \$200K Employment Practices retention for an additional premium of \$21,294. – **Did Not Purchase**
2. Increase Cyber including Technology E&O from \$1M to \$2M with a \$25K retention for an additional premium of \$4,663. - **Purchased**
3. Increase Cyber including Technology E&O from \$1M to \$5M with a \$25K retention for an additional premium of \$25,826. – **Did Not Purchase**
4. Add \$1M Enhanced Assault Coverage for an additional premium of \$995 to Public Officials/Employment Practices. - **Purchased**

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