



Howard Lake-Waverly-
Winsted Public Schools



COMMERCIAL INSURANCE PROPOSAL

Prepared For: Howard Lake Waverly Winsted ISD 2687
PO Box 708
Howard Lake MN 55349

Policy Term: 11/17/2025 - 11/17/2026

Flagship Insurance Services, Inc. is a privately held organization and considers all information contained herein to be proprietary.



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YOUR DEDICATED COMMERCIAL TEAM

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|------------|-----------------|--|----------------|
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COMMERCIAL PACKAGE

PROPERTY COVERAGE

| Item# | Description /Location | Coverage | 90% Values | 2% W/H Deductible |
|-------|-------------------------------------|----------|------------|-------------------|
| 1-1 | MAWSECO | Building | 8,681,895 | 173,638 |
| 1-1 | <i>(720 9th Ave, Howard Lake)</i> | Contents | 73,910 | 1,478 |
| 2-1 | Humphrey Elem School | Building | 7,890,204 | 157,804 |
| 2-1 | <i>(803 Elm Ave, Waverly)</i> | Contents | 568,095 | 11,362 |
| 2-3 | Storage | Building | 27,423 | 548 |
| 2-3 | | Contents | 8,367 | 167 |
| 2-5 | Portable classrooms | Building | 655,690 | 13,114 |
| 3-1 | Winsted Elem. | Building | 8,278,335 | 165,567 |
| 3-1 | <i>(431 4th St N, Winsted)</i> | Contents | 596,040 | 11,921 |
| 3-2 | Storage | Building | 7,986 | 160 |
| 3-3 | Portable Classrooms | Building | 753,163 | 15,063 |
| 4-1 | High School/Middle School | Building | 48,128,087 | 962,562 |
| 4-1 | <i>(8700 Cty Rd 6, Howard Lake)</i> | Contents | 3,465,222 | 69,304 |
| 4-2 | Bus Garage | Building | 1,249,962 | 24,999 |
| 4-3 | Storage shed (fball/track) | Building | 42,762 | 855 |
| 4-4 | Stadium/ball fields/playground | PIO | 279,071 | 5,581 |
| 4-5 | FFA Shed | Building | 43,606 | 872 |
| 4-5 | | Contents | 7,747 | 155 |
| 4-8 | High tunnel | Building | 4,098 | 82 |
| 4-9 | High tunnel | Building | 20,490 | 410 |
| 4-10 | Track surface/edge drain | PIO | 438,693 | 8,774 |
| 5-1 | Greenhouse | Building | 114,971 | 2,299 |
| 5-1 | Greenhouse | Contents | 6,508 | 130 |
| 6-2 | Farm site - Barn | Building | 42,877 | 858 |
| 6-3 | Farm site - Pole Shed | Building | 37,517 | 750 |

Property is insured on Blanket basis to allow us to shift limits in event of a loss
 \$81,342,326 Blanket and Contents Limit
 2% Wind/Hail Deductible
 \$25,000 All Other Perils Deductible
 Special Causes of Loss include Theft
 Replacement Cost Coverage (except for Farm Site Buildings)
 Cosmetic Damage Exclusion on Roofing for Bus Garage & Farm Site Buildings

GENERAL LIABILITY COVERAGE**LIMIT**

| | |
|------------------------------------|-----------|
| General Aggregate | 2,000,000 |
| Products/Completed Operations Agg. | Included |
| Each Occurrence | 1,000,000 |
| Personal/Advertising Injury | 1,000,000 |
| Damage to Premises Rented to You | 100,000 |
| Medical Expense | 15,000 |

Employee Benefits Liability

| | |
|------------------|-----------|
| Each Employee | 1,000,000 |
| 1,000 Deductible | |
| Aggregate | 3,000,000 |

Sexual Misconduct or Molestation Liability

| | |
|---------------|-----------|
| Each Incident | 1,000,000 |
| Aggregate | 1,000,000 |

Classifications

| | |
|---|--------------|
| Schools – Elementary, Kindergarten, Junior High | 228 Students |
| Schools – Elementary, Kindergarten, Junior High | 393 Students |
| Schools – Elementary, Kindergarten, Junior High | 394 Students |
| Schools – High School | 425 Students |
| Schools – Faculty Liability | 12 Members |

**Annual audit may be conducted.*

PROFESSIONAL LIABILITY COVERAGE

School and Educators Legal Liability

Claims Made

SELL Retroactive Date: 11/17/2017

D&O Retroactive Date: 11/17/2017

Limits of Insurance:

Aggregate Limit: \$1,000,000

Each Loss Limit: \$1,000,000

Deductible: \$15,000

Deductible Type: Loss and Defense Expenses

Educational Institution Employment Practices Liability Endorsement - School and Educators Legal Liability

Defense Expense Outside Limits with Third Party Coverage

Retroactive Date: 11/17/2017

Limits of Insurance:

Aggregate Limit: \$1,000,000

Employment Practices 'Wrongful Employment Act' Limit: \$1,000,000

Deductible Each 'Wrongful Employment' Act : \$15,000

Deductible Type: Loss and Defense Expenses

| INLAND MARINE COVERAGE | LIMIT | DEDUCTIBLE |
|--|--------------|-------------------|
| EDP – Hardware & Software | 343,175 | 500 |
| Contractor’s Equipment | 163,675 | 1,000 |
| Educational Institutional Misc. Property | | 1,000 |
| School Band Uniforms, Choir Robes, Similar and Related Property | 50,000 | |
| School Athletic Equipment, Uniforms, Similar and Related Equipment | 50,000 | |
| School Musical Instruments, Similar and Related Equipment | 175,000 | |
| School Cameras, Projection Machines, Films, Similar and Related Equipment | 50,000 | |
| Dwellings Under Construction by Vocational Shop Classes | 100,000 | |

COMMERCIAL AUTOMOBILE

| COVERAGE | LIMIT |
|-------------------------------|-----------|
| Liability | 1,000,000 |
| Basic PIP | |
| Uninsured Motorist | 1,000,000 |
| Underinsured Motorist | 1,000,000 |
| Hired and Non-Owned Liability | 1,000,000 |

| VEHICLE | COMP | COLL |
|--------------------------|------|------|
| 2008 Ford F150 | 500 | 500 |
| 2010 Dodge Grand Caravan | -- | -- |
| 2012 Chevrolet Malibu | 500 | 500 |
| 2014 American Trailer | 500 | 500 |
| 2020 Ram 2500 | 500 | 500 |
| 2013 Ram 2500 | -- | -- |

- *Liability Only on 2010 Caravan & 2013 RAM*

CYBER LIABILITY

| LIMITS | OPTION #1 |
|---------------|------------------|
|---------------|------------------|

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|------------------------|--|
| Breach Response | |
|------------------------|--|

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|---|-------------|
| Notified Individuals: | 100,000 |
| 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: | \$1,000,000 |
|---|-------------|

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| Additional Breach Response Limit | |
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|-----------------------------------|-------------|
| Additional Breach Response Limit: | \$1,000,000 |
|-----------------------------------|-------------|

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|-------------------------|--|
| First Party Loss | |
|-------------------------|--|

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|--|-------------|
| Business Interruption Loss: | |
| <i>Resulting from Security Breach:</i> | \$1,000,000 |
| <i>Resulting from System Failure:</i> | \$1,000,000 |
| Dependent Business Loss: | |
| <i>Resulting from Dependent Security Breach:</i> | \$100,000 |
| <i>Resulting from Dependent System Failure:</i> | \$100,000 |
| Cyber Extortion Loss: | \$1,000,000 |
| Data Recovery Costs: | \$1,000,000 |

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|------------------|--|
| Liability | |
|------------------|--|

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|-----------------------------------|-------------|
| Data & Network Liability: | \$1,000,000 |
| Regulatory Defense & Penalties: | \$1,000,000 |
| Payment Card Liabilities & Costs: | \$1,000,000 |
| Media Liability: | \$1,000,000 |

| | |
|---------------|--|
| eCrime | |
|---------------|--|

| | |
|-------------------------|-----------|
| Fraudulent Instruction: | \$250,000 |
| Funds Transfer Fraud: | \$250,000 |
| Telephone Fraud: | \$250,000 |

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|------------------------|--|
| Criminal Reward | |
|------------------------|--|

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|------------------|----------|
| Criminal Reward: | \$50,000 |
|------------------|----------|

| RETENTIONS | OPTION #1 |
|-------------------|------------------|
|-------------------|------------------|

| | |
|------------------------|--|
| Breach Response | |
|------------------------|--|

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|---|----------------------------------|
| Legal, Forensic & Public Relations/Crisis Mgmt: | \$5,000; \$1,000 for Legal |
|---|----------------------------------|

| | |
|---------------------------------------|----------|
| Each Incident, Claim, or loss: | \$10,000 |
|---------------------------------------|----------|

PREMIUMS

| Policy | Carrier | 2024-25 Expiring | 2025-26 Hanover | 2025-26 Liberty |
|------------------------|---------|----------------------|----------------------|----------------------|
| Package | | | | |
| Property | | 78,480.82 | 81,596.95 | 114,395.00 |
| General Liability | | 14,898.00 | 16,923.00 | 27,799.00 |
| Professional Liability | | 11,090.00 | 11,522.00 | 28,054.00 |
| Equipment | | 1,638.00 | 1,660.00 | 500.00 |
| Automobile | | 8,933.00 | 9,363.00 | 10,201.00 |
| Cyber | | 4,400.00 | 4,600.00 | 4,600.00 |
| TOTAL PREMIUM | | \$ 119,439.82 | \$ 125,664.95 | \$ 185,594.00 |

COMMENTS/RECOMMENDATIONS

- Hanover is continuing the same deductible structure of a 2% Wind/Hail Deductible on the renewal. The Property section of the proposal shows how the deductible would be applied to each building for **ONLY** a Wind or Hail claim. All claims other than Wind/Hail would have a deductible of \$25,000.
- Hanover included cosmetic damage exclusion to the Farm Site buildings & the bus garage building.
- Liberty Mutual provided quotes listed above; however their premiums are not competitive with Hanover.
- Quotes have been requested from EMC Insurance and Selective Insurance, however either company has provided finalized quotes to date. If either company provides competitive quotes after 10/20/25, the additional quotes can be reviewed at the November 10th board meeting. EMC Insurance conducted an on-site property inspection at all 4 district buildings. We do expect they will provide a quote.

COMMENTS/RECOMMENDATIONS

- Optional \$1,00,000 Umbrella Liability policy would be an annual premium of \$6,200. The District currently does not have an Umbrella policy & would need to decide if the Umbrella is added at renewal. The Umbrella policy provides additional liability coverage over the General Liability, Professional Liability, Auto Liability & Workers Compensation coverage if/when those policy limits are exhausted.
- **Recommendation as of 10/15/25:** renew coverages with Hanover as quoted renew coverages with Beazley for Cyber Liability. *(Assuming competitive quotes have not been received from EMC or Selective)*

DISCLAIMER: This report is intended for informational purposes only and is not intended to provide an exhaustive policy description. Please refer to official policy documents for more detail, and if a discrepancy exists between this document and official policy documents, the provisions in the policy documents shall prevail.

BROADENING ENDORSEMENT FORMS

Gold Property Broadening Endorsement

| Scheduled Coverages | Limits of Insurance | Amended Limits of Insurance | Page |
|---|--------------------------------------|-----------------------------|------|
| 1. Back up or Overflow of a Sewer, Drain or Sump | Included | N/A | 4 |
| 2. Brands and Labels | Included | N/A | 4 |
| 3. Broadened Building Coverage | Included | N/A | 4 |
| 4. Broadened Business Personal Property | Included | N/A | 5 |
| 5. Business Income and Extra Expense – Dependent Properties | \$150,000 | \$ | 5 |
| 6. Business Income and Extra Expense – Lease Cancellation | \$50,000 | \$ | 6 |
| 7. Business Income and Extra Expense – Transit | \$75,000 | \$ | 7 |
| 8. Business Personal Property In Storage Units | Included | N/A | 7 |
| 9. Business Personal Property In Transit | \$100,000 | \$ | 7 |
| 10. Business Personal Property Off Premises | \$250,000 | \$ | 8 |
| 11. Catastrophe Allowance | \$50,000 | N/A | 8 |
| 12. Computer and Funds Transfer Fraud | \$50,000 | \$ | 9 |
| 13. Consequential Loss to Stock | Included | N/A | 10 |
| 14. Contract Penalties | \$50,000 | \$ | 10 |
| 15. Debris Removal | \$250,000 | \$ | 10 |
| 16. Denial of Access to Premises | 30 Days 72 Hour Waiting Period | N/A | 11 |
| 17. E-Commerce | \$50,000 | \$ | 11 |

| | | | |
|--|-------------|-----|----|
| 18. Electronic Data Processing Equipment | Included | N/A | 12 |
| 19. Employee Theft including ERISA Compliance | \$250,000 | \$ | 13 |
| 20. Employee Tools and Work Clothing | \$25,000 | \$ | 15 |
| 21. Expediting Expense | \$50,000 | \$ | 16 |
| 22. Extended Business Income | 180 Days | N/A | 16 |
| 23. Extended Coverage on Property – within 2,000 feet | Included | N/A | 16 |
| 24. Extra Expense | \$300,000 | \$ | 17 |
| 25. Fire Protection Equipment Recharge | Included | N/A | 18 |
| 26. Food Contamination | \$25,000 | \$ | 18 |
| – Additional Advertising Expense | \$3,000 | \$ | |
| 27. Forgery or Alteration | \$100,000 | \$ | 19 |
| 28. Foundations and Underground Pipes | Included | N/A | 19 |
| 29. International Air Shipments | \$50,000 | \$ | 20 |
| 30. Inventory and Loss Appraisal | \$250,000 | \$ | 20 |
| 31. Key Replacement and Lock Repair | \$20,000 | \$ | 20 |
| 32. Leasehold Interest | \$150,000 | \$ | 21 |
| 33. Lessor's Tenant Move Expenses | \$50,000 | \$ | 21 |
| 34. Marring and Scratching | Included | N/A | 22 |
| 35. Money and Securities | \$50,000 | \$ | 22 |
| 36. Money Orders and Counterfeit Money | \$50,000 | \$ | 23 |
| 37. Newly Acquired or Constructed Property | | | |
| – Building | \$2,000,000 | \$ | 24 |
| – Business Personal Property | \$1,000,000 | \$ | 24 |
| 38. Newly Acquired Locations – Business Income and Extra Expense | \$250,000 | \$ | 25 |
| 39. Non-Owned Detached Trailers | \$25,000 | \$ | 25 |
| 40. Ordinance or Law | | | 25 |
| – Coverage A | Included | N/A | 26 |
| – Coverage B and C | \$500,000 | \$ | 26 |
| 41. Pollutant Clean-Up and Removal | \$100,000 | \$ | 28 |
| 42. Preservation of Property | 90 Days | N/A | 29 |
| 43. Preservation of Property – Expenses | \$50,000 | \$ | 29 |
| 44. Prototypes | Included | N/A | 29 |
| 45. Rewards | \$75,000 | \$ | 29 |
| 46. Sales Representative Samples | \$25,000 | \$ | 30 |
| 47. Soft Costs | \$25,000 | \$ | 30 |
| 48. Temporary Relocation of Property | \$100,000 | \$ | 30 |
| 49. Theft Damage to Building | Included | N/A | 30 |
| 50. Undamaged Tenants Improvements and Betterments | \$50,000 | \$ | 31 |
| 51. Underground Water Seepage | \$50,000 | N/A | 31 |
| 52. Unintentional Property Reporting Errors | \$500,000 | N/A | 32 |
| 53. Unnamed Locations | \$150,000 | \$ | 32 |
| 54. Utility Services – Direct Damage | \$100,000 | \$ | 32 |

| | | | |
|---|-----------|----|----|
| Utility Services – Business Income and Extra Expense | \$100,000 | \$ | 33 |
| 55. Voluntary Parting | \$50,000 | \$ | 33 |
| 56. Water Damage, Other Liquids, Powder or Molten Material Damage | \$50,000 | \$ | 34 |
| 57. Windblown Debris | \$10,000 | \$ | 34 |
| 58. Worldwide Business Personal Property Off Premises | \$75,000 | \$ | 34 |

Blanket Limit of Insurance \$500,000

The Blanket Limit of Insurance applies for each occurrence to all Scheduled Blanket Coverages shown below unless an Amended Limit of Insurance is shown. At the time of loss, you may apportion the Blanket Limit of Insurance to any combination of the Scheduled Blanket Coverages without an Amended Limit of Insurance, but under no circumstances will the aggregate apportionment be permitted to exceed the Blanket Limit of Insurance. When an Amended Limit of Insurance is shown for any of the Scheduled Blanket Coverages, those coverages are not included within the Blanket Limit of Insurance and the Amended Limit of Insurance is the most we will pay for those coverages.

| Scheduled Blanket Coverages | Amended Limits of Insurance | Page |
|--|-----------------------------|------|
| 1. Accounts Receivable | \$ | 34 |
| 2. Deferred Payments | \$ | 35 |
| 3. Fine Arts | \$ | 35 |
| 4. Fire Department Service Charge | \$ | 36 |
| 5. Movement of Property | \$ | 36 |
| 6. Outdoor Property | \$ | 36 |
| 7. Personal Effects and Property of Others | \$ | 37 |
| 8. Research and Development Documentation | \$ | 37 |
| 9. Valuable Papers and Records | \$ | 38 |

EDUCATIONAL INSTITUTIONS PROPERTY BROADENING ENDORSEMENT

| Scheduled Coverages | Limits of Insurance | Amended Limits of Insurance | Page |
|---|---------------------|-----------------------------|------|
| 1. Automated External Defibrillators | \$5,000 | \$ | 2 |
| 2. Broadened Building Coverage | Included | N/A | 2 |
| 3. Business Income and Extra Expense - Fundraising Events | \$50,000 | \$ | 2 |
| 4. Emergency Evacuation Expense | \$25,000 | \$ | 2 |
| 5. Glass Showcases | \$2,500 | \$ | 2 |
| 6. Paved Surfaces | \$100,000 | \$ | 3 |
| 7. Personal Effects of Students | \$100,000 | \$ | 3 |
| 8. Real Property of Others Required by Contract | \$5,000 | \$ | 3 |
| 9. Special Settlement Provisions | | | |
| - Agreed Value Coverage (Losses Less Than \$25,000) | Included | N/A | 3 |
| - Replacement Cost – Leased Personal Property | Included | N/A | |
| 10. Spoilage | | | |
| - On Premises | \$25,000 | N/A | 3 |
| - In Transit | \$5,000 | N/A | |