



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: 11/17/2024 - 11/17/2025

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



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COMMERCIAL PACKAGE

PROPERTY COVERAGE

Item#	Description /Location	Coverage	90% Values	2% W/H Deductible
1-1	MAWSECO	Building	8,190,467	163,809
1-1	(720 9th St, Howard Lake)	Contents	69,726	1,395
2-1	Humphrey Elem School	Building	7,443,589	148,872
2-1	(803 Elm Ave, Waverly)	Contents	595,487	11,910
2-3	Storage Shed	Building	25,871	517
2-3	Storage Shed	Contents	7,893	158
2-5	Portable classrooms	Building	618,575	12,372
3-1	Winsted Elem.	Building	7,809,750	156,195
3-1	(431 4th St N, Winsted)	Contents	624,780	12,496
3-2	Storage shed	Building	7,534	151
3-3	Portable Classrooms	Building	710,531	14,211
4-1	High School/Middle School	Building	45,403,855	908,077
4-1	(8700 Cty Rd 6, Howard Lake)	Contents	3,632,308	72,646
4-2	Bus Garage	Building	1,179,210	23,584
4-3	Storage shed (fball/track)	Building	40,342	807
4-4	Stadium/ball fields/playground	PIO	292,527	5,851
4-5	FFA Shed	Building	41,138	823
4-5	FFA Shed	Contents	7,309	146
4-8	High tunnel	Building	3,866	77
4-9	High tunnel	Building	19,330	387
4-10	Track surface/edge drain	PIO	413,861	8,277
4-11	Greenhouse	Building	108,463	2,169
4-11	Greenhouse	Contents	6,140	123
6-2	Farm Site Barn (8850 Cty Rd 6)	Building	44,944	899
6-3	Farm Site Shed	Building	39,326	787

*Contents limit are at 8% of Building values

Blanket basis allows us to shift limits in the event of a loss

\$77,336,822 Blanket and Contents Limit

2% Wind/Hail Deductible

\$10,000 All Other Perils Deductible

Special Causes of Loss including Theft

Replacement Cost Coverage (except 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	217 Students
Schools – Elementary, Kindergarten, Junior High	373 Students
Schools – Elementary, Kindergarten, Junior High	374 Students
Schools – High School	437 Students
Schools – Faculty Liability	98 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	157,675	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

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

Criminal Reward	
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Criminal Reward:	\$50,000
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RETENTIONS	OPTION #1
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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
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PREMIUMS

Policy	Carrier	2024-2025 Renewal	2023-2024 Current Term
Package	Hanover		
Property		87,043.12	80,443.21
General Liability		14,898.00	13,988.00
Professional Liability		11,090.00	10,801.00
Equipment (<i>Inland Marine</i>)		1,638.00	1,656.00
Automobile	Hanover	8,933.00	8,146.00
Cyber	Beazley	4,400.00	6,060.00
TOTAL PREMIUM		\$ 128,002.12	\$ 121,094.21

COMMENTS/RECOMMENDATIONS

- Hanover is implementing 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 \$10,000. This is also an increase from last year. Currently the all other claims deductible is \$5,000.
- Optional quote to increase the all other claims deductible to \$25,000 would result in an annual savings of \$7,211.57, reducing the total annual premium to \$120,790.55.
- There is also an option to purchase a Deductible Buy Down policy. This policy would cover the difference between the 2% Wind/Hail Deductible to a \$25,000 deductible. These quotes came back at high premiums. The annual premium for the 5 largest District buildings would be \$110,000. The annual premium for just the HS/MS building would be \$67,000. The Deductible Buy Down is not a practical option this year.
- Hanover is adding a cosmetic damage exclusion to the Farm Site buildings. The bus garage building also has a cosmetic damage exclusion, which was added in 2022.

COMMENTS/RECOMMENDATIONS

- Optional \$11M Umbrella would be an annual premium of \$5,000. 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:** renew coverages with Hanover & seriously consider increasing All Other Claims Deductible to \$25,000 and renew coverages with Beazley for Cyber Liability.

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	