



Highline Public Schools Board Action Report

DATE: ~~April 14, 2023~~ April 26, 2023, Second Revision May 2, 2023

FROM: Dr. Ivan Duran, Superintendent

LEAD STAFF: Scott Logan, Chief Operations Officer, and Ellie Daneshnia, Executive Director of Capital Planning and Construction

For Introduction: April 19, 2023 For Action: May 3, 2023

I. TITLE Evergreen Replacement Project - Approving the Builder's Risk Insurance

Select one: [X] New Item [ ] Renewed Item [ ] Annual Item [ ] Revised Item

II. WHY BOARD ACTION IS NECESSARY

Board Policy No. 6225, Approval of Contracts, states that "all contracts for more than \$250,000 initial value, excluding sales tax and contingencies, and changes or amendments of more than \$250,000, excluding sales tax and contingencies, must be approved by the School Board."

III. BACKGROUND INFORMATION

As part of the construction process and per the construction contract, the builder's risk insurance coverage is required. This insurance provides coverage for major losses which include fire, flood, faulty, and inadequate, or defective workmanship or design. The limit of coverage is ~~XXXX,XXX,XXX.XX~~ \$155,016,201.00, which includes coverage for both soft and hard project costs.

~~XXXXXX-Brown & Brown~~ has provided a Commercial Builder's Risk Coverage Policy proposal for the Evergreen High School Replacement Project in the amount of ~~XXXX,XXX,XXX.XX~~ \$1,793,378.33. The builder's risk coverage was negotiated with several insurance carriers to get the best overall price for the district which include ZURICH (Lead), EVEREST, Eirion, Axis, Lexington, and CHUBB. The policy period extends 827 days, beginning 05/15/2023 and ending on 08/19/2025. The staff has reviewed the proposal and recommended board acceptance.

~~The insurance provider, total policy proposal cost, and attachment(s) will be provided to the School Board prior to action at the May 3, 2023, School Board meeting.~~

IV. RECOMMENDED MOTION

I move that the Highline School Board approve the Evergreen High School Replacement Project - Builder's Risk Insurance Proposal ~~for \$1,793,378.33-~~

V. FISCAL IMPACT/REVENUE SOURCE

Fiscal impact of this action will be ~~\$1,793,378.33~~ \$1,793,378.33

The revenue source for this motion is the 2022 Bond Capital Fund.

Expenditure: [X] One-time [ ] Annual

**VI. APPLICABLE POLICY(S)**

This action complies with the following policies: 6225

**VII. ALTERNATIVES**

The alternative is to not approve the Builder's Risk Insurance Proposal. This would mean construction would not be able to commence until builder's risk insurance is obtained.

**VIII. COMMUNITY ENGAGEMENT**

Community Engagement Required:  Yes  No

**IX. ATTACHMENTS**

1. ~~XXXXXX~~05-02-2023 Brown & Brown Builders Risk Insurance Proposal for EHS (for approval)
2. 05-02-2023 Term-Final Evergreen High School Capacity Sheet (for review)

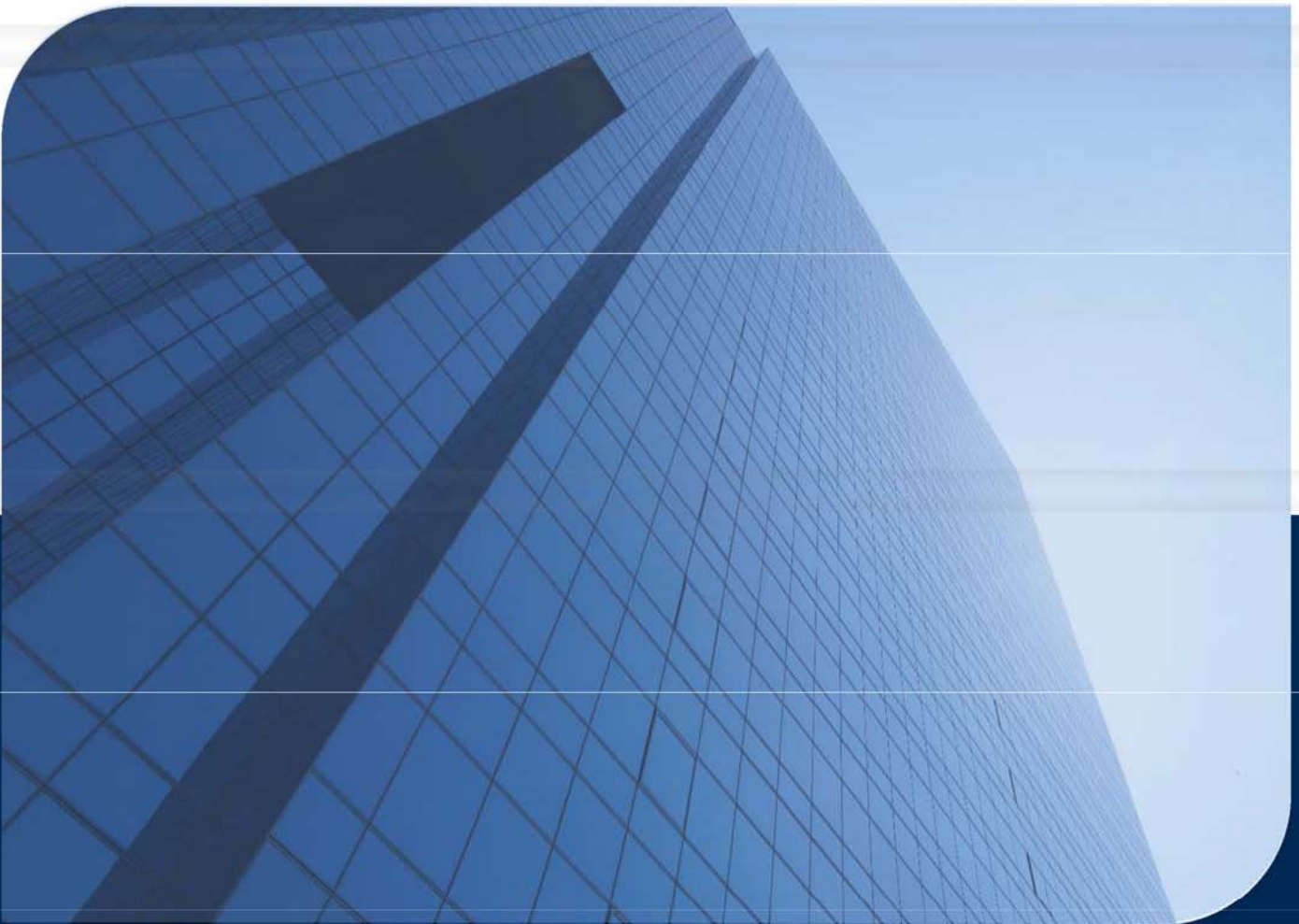


PROPERTY & CASUALTY

Proposal Prepared for

**Highline School District #401**

Policy Period 05/15/2023 - 06/19/2025



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*This proposal is based upon the exposures made known to the Agency by you and contains only a general description of the coverage(s) and does not constitute a policy/contract. For complete policy information, including exclusions, limitations, and conditions, please refer to your policy.  
In the event of differences, the policy will prevail.*

# Who We Are

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## Growth has no finish line.

No matter where you are on your growth journey, we can help you find solutions to meet your ever-evolving insurance and risk management needs. If you are a highly complex multinational company, an individual or anything in between, our experienced teams can help every step of the way.

## Discover Our Capabilities

As a successful business, you plan for the future and adapt as circumstances change your course. At Brown & Brown, we help you navigate the path forward, by taking a different approach to how you view, analyze and purchase insurance. Your exposures are unique, and you deserve coverage options designed to help protect your assets, interests and reputation. Our teams work to understand your business and your risk management plan by providing personalized local service complemented by the exceptional resources and capabilities of a national brokerage.

## Our History

Brown & Brown Insurance was founded in Daytona Beach, Florida, in 1939 by cousins J. Adrian Brown and Charles Covington Owen. In 1959, Adrian's son, Hyatt, took leadership of the family business. Under his direction, the Brown & Brown vision of a lean and profit-oriented organization came into focus. Following a merger in 1993, the company became Poe & Brown, Inc., publicly traded on Nasdaq. In 1998, Poe & Brown was changed back to Brown & Brown and became listed on the New York Stock Exchange (NYSE: BRO), joining the S&P 500 in 2021. The company has continued to thrive under Chief Executive Officer (CEO) J. Powell Brown, who became the third generation to lead the organization in 2009. We consistently deliver high-quality solutions and services to a broad array of customers. With a precise and focused acquisition strategy, Brown & Brown has become one of the insurance industry's most powerful and influential leaders.

## Our Mission

We are dedicated to making a positive difference in the lives of our customers by helping to protect what they value most. With 350+ locations and growing, we have teammates across the globe who are dedicated to serving our customers and local communities.

## Our Culture

We believe in doing what is best for our customers, communities, teammates, carrier partners and shareholders—always. Powered by a culture that values high performance and perseverance, the cornerstone of Brown & Brown's guiding principles are people, service and innovation.



**5TH LARGEST**

Insurance Brokerage in the Nation



**350+ LOCATIONS**

And Growing



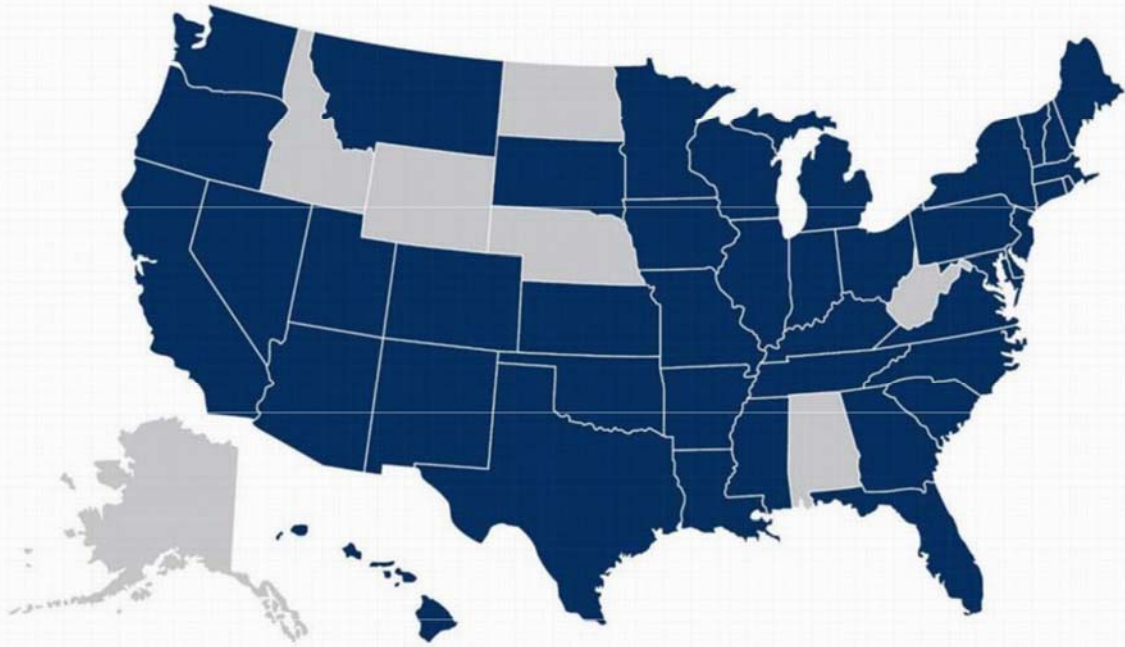
**8,000+**

Retail Teammates



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# Brown & Brown



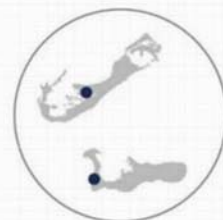
Canada



London, England



Ireland



Bermuda & Grand Cayman

In the map above, blue indicates states or countries with Brown & Brown locations.



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# Preparing You for Tomorrow's Risks—Today™

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We pride ourselves on our ability to couple national strength with local, personalized service. Our Brown & Brown of Washington, Inc. - based team is as connected to the more than 11,000 teammates across Brown & Brown and our team of companies as it is here in our community.

We have become a leading insurance brokerage because we view insurance differently and utilize our vast experience and wide-reaching network to deliver superior service and solutions to our customers, both big and small.

We believe that our teammates and the relationships they form with our customers are our strength. Our reputation has been built on a solid foundation of teamwork, strengthened by people who are dedicated to providing the highest degree of service. Our team thanks you for the opportunity to work together. Please find our contact information below.

## Service Team

Name	Title	Email	Business Phone
Phil Crocker M.Ed., M.A.T., CLCS, CRIS	Risk Manager	Phil.Crocker@bbrown.com	(206)272-3114
Carol Caughey ACSR	Account Executive	Carol.Caughey@bbrown.com	(206)676-8104



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# Named Insured

## Named Insured

Highline Public Schools

This list includes all the named insureds we presently have on your policies. Should any revisions to this listing be required, please notify our office immediately.

# Builder's Risk

Period	Job Site	Coverage	Total Insured Value	Hard Costs	Soft Costs
05/15/2023 to 08/19/2025 (827 Days)	830 SW 116 <sup>th</sup> St, Seattle, WA 98146	Builders Risk	\$155,016,201	\$152,073,701	\$2,942,500

## Cause of Loss: Special Form

Cause of Loss	Limit	Deductible	Minimum Deductible
Earthquake	\$25,000,000	2%	\$250,000
Flood	\$25,000,000	\$100,000	N/A
All Other Perils	See Total Insured Value	\$100,000	N/A
Windstorm	See Total Insured Value	\$100,000	N/A
Water Damage	See Total Insured Value	\$100,000 *	N/A
Delay in Completion		30 Days	N/A

\* Water Damage Deductible \$250,000

Highland  
Lexington  
Chubb

## Premium:

Carrier	ZURICH (LEAD)	EVEREST	Eirion	Axis	Lexington	CHUBB (RTL DIRECT)	TOTAL
%	25.20%	25.00%	10.45%	3.23%	16.13%	20.00%	100.00%
Limit	\$39,058,911	\$38,754,050	\$16,200,000	\$5,000,000	\$25,000,000	\$31,003,240	\$155,016,201
Premium	\$420,073.00	\$416,739.00	\$174,197	\$53,842	\$268,835	\$333,391	\$1,667,077
Carrier Fee	\$7,500	\$0	\$500	\$0	\$0	\$0	\$8,000
Broker Fee	\$23,100	\$22,925	\$9,580	\$4,310	\$21,500	\$0	\$81,415
SL T&F	\$9,464.13	\$9,232.94	\$3,869.82	\$1,221.19	\$6,097.04	\$7,001.21	\$36,886.33
<b>Total</b>	<b>\$460,137.13</b>	<b>\$448,896.94</b>	<b>\$188,146.82</b>	<b>\$59,373.19</b>	<b>\$296,432.04</b>	<b>\$340,392.21</b>	<b>\$1,793,378.33</b>

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## Additional Coverage Sub-Limits:

- Debris Removal - \$5,000,000
- Property in Transit - 5,000,000
- Offsite Storage and Fabrication Sites - \$5,000,000
- Ordinance or Law – Undamaged Portion of Building – Included
- Ordinance or Law – Demolition - \$5,000,000
- Ordinance or Law – Increased Cost of Construction - \$5,000,000
- Pollution Cleanup - \$250,000
- Scaffolding - \$250,000
- Expediting Expense - \$500,000
- Contractor's Extra Expense - \$500,000

Client ultimately chooses limits insured.

<b>Required Security:</b>	
	Site will be fenced, locked and lighted and cameras will cover 100% of the project site and be monitored and not just recorded
<b>Received: Subjectivities:</b>	
	Signed TRIA Forms (Everest, Lexington)
	Inspection Contact (Name, Phone# and Email & Company Affiliation)
	Confirmation that all Key Participants to the project are as shown above.
	Subject to manufacturer and installer to be named within 60 days after binding (Must be domestic manufacturer and Gen2 Mass Timber used)
	Hot Works Questionnaire (Lexington)
	Subject to favorable Risk Engineering review
	Subject to emergency planning and protection
	Subject to providing the PRG certification within 60 days after binding
	Confirmation Project has Acceptable Site-Specific Water Damage Mitigation Procedures
	Details on which afterhours vendor and confirmation site will be fenced, locked and lighted and that cameras will cover 100% of the project site and be monitored and not just recorded
<b>Additional Conditions</b>	
	Chubb amendatory endorsement
	Soft Costs to be itemized
	Geotech report recommendations are followed
	Water Mitigation Plan
	QA/QC plan
	Chubb amendatory endorsement



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# A. M. Best

## A. M. Best Rating of Proposed Carriers:

### Basic Policy Info

Line of Business	Insurance Company	Rating	Admitted / Non-Admitted
Builders Risk	Zurich American Ins. Co.	A XV	Non-Admitted
Builders Risk	Everest National Ins. Co.	A+ XV	Non-Admitted
Builders Risk	Eirion	A XV	Non-Admitted
Builders Risk	Axis Ins. Co.	A XV	Non-Admitted
Builders Risk	Lexington Ins. Co.	A XV	Non-Admitted
Builders Risk	Illinois Union Ins. Co.	A++ XV	Non-Admitted

### General Rating:

Rating Categories	Rating Symbols
Superior	A+ to A++
Excellent	A to A-
Good	B+ to B++
Fair	B to B-
Marginal	C+ to C++
Weak	C to C-
Poor	D

These rating classifications reflect AM BEST's opinion of the relative position of each company in comparison with others, based upon averages within the Property-Casualty insurance industry. They are reflective of overall company services and standing within the industry.

### Financial Size Category:

Class	Range (\$ in Thousands)
Class I	Up-\$1,000
Class II	\$1,000-\$2,000
Class III	\$2,000- \$5,000
Class IV	\$5,000-\$10,000
Class V	\$10,000-\$25,000
Class VI	\$25,000-\$50,000
Class VII	\$50,000-\$100,000
Class VIII	\$100,000-\$250,000
Class IX	\$250,000-\$500,000
Class X	\$500,000-\$750,000
Class XI	\$750,000-\$1,000,000
Class XII	\$1,000,000-\$1,250,000
Class XIII	\$1,250,000-\$1,500,000
Class XIV	\$1,500,000-\$2,000,000
Class XV	\$2,000,000-Greater



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The Financial Size Category is an indication of the size of an Insurer and is based on reported policyholder's surplus conditional or technical reserve funds, such as mandatory securities valuation reserve, or other investments and operating contingency funds and/or miscellaneous voluntary reserves in liabilities (\$ in Thousands)

This information has been provided to you so that consideration is given to the financial condition of our proposed carriers. The financial information disclosed is the most recent available to Brown & Brown, Inc. Brown & Brown, Inc. does not guarantee financial condition of the insurers listed above.



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# Understanding Claims-Made Policy

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The claims-made policy provides coverage that is triggered when a claim is made against the insured during the policy period, providing the claim occurred after the retroactive date.

## Current Policy Year:

The policy year begins on the effective date shown on the policy and expires on the expiration date also shown on the policy.

## Prior Acts or Retroactive Date:

This date is shown on the policy. This provision eliminates coverage for claims that took place prior to the specified retroactive date, even if the claim is first made during the policy period.

## Supplemental Extended Reporting Period (Tail Coverage):

This is a provision found within the claims-made policy that extends the length of the reporting period allowing the insured to report claims that are made against the insured after the policy has expired or been canceled, provided the claim took place during the expired/canceled policy. The ERP/Tail Coverage requires an additional premium and must be requested within the time frame as outlined in the policy.



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# Compensation Disclosure

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**Compensation.** In addition to the commissions or fees received by us for assistance with the placement, servicing, claims handling, or renewal of your insurance coverages, other parties, such as excess and surplus lines brokers, wholesale brokers, reinsurance intermediaries, underwriting managers and similar parties, some of which may be owned in whole or in part by Brown & Brown, Inc., may also receive compensation for their role in providing insurance products or services to you pursuant to their separate contracts with insurance or reinsurance carriers. That compensation is derived from your premium payments. Additionally, it is possible that we, or our corporate parents or affiliates, may receive contingent payments or allowances from insurers based on factors which are not client-specific, such as the performance and/or size of an overall book of business produced with an insurer. We generally do not know if such a contingent payment will be made by a particular insurer, or the amount of any such contingent payments, until the underwriting year is closed. That compensation is partially derived from your premium dollars, after being combined (or “pooled”) with the premium dollars of other insureds that have purchased similar types of coverage. We may also receive invitations to programs sponsored and paid for by insurance carriers to inform brokers regarding their products and services, including possible participation in company-sponsored events such as trips, seminars, and advisory council meetings, based upon the total volume of business placed with the carrier you select. We may, on occasion, receive loans or credit from insurance companies. Additionally, in the ordinary course of our business, we may receive and retain interest on premiums you pay from the date we receive them until the date of premiums are remitted to the insurance company or intermediary. In the event that we assist with placement and other details of arranging for the financing of your insurance premium, we may also receive a fee from the premium finance company.

If an intermediary is utilized in the placement of coverage, the intermediary may or may not be owned in whole or part by Brown & Brown, Inc. or its subsidiaries. Brown & Brown entities operate independently and are not required to utilize other companies owned by Brown & Brown, Inc., but routinely do so. In addition to providing access to the insurance company, the Wholesale Insurance Broker/Managing General Agent may provide additional services including, but not limited to: underwriting; loss control; risk placement; coverage review; claims coordination with insurance company; and policy issuance. Compensation paid for those services is derived from your premium payment, which may on average be 15% of the premium you pay for coverage, and may include additional fees charged by the intermediary.

**Questions and Information Requests.** Should you have any questions, or require additional information, please contact this office at (206) 956-1600 or, if you prefer, submit your question or request online at <http://www.bbinsurance.com/customerinquiry/>



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## II Brown & Brown

\$152,073,701	Physical Damage
\$2,942,500	DSU - Soft Cost
NOT COVERED	Loss of Rents
<b>\$155,016,201</b>	<b>TIV</b>

\$25,000,000	EQ/EM
\$25,000,000	Flood

**Project Description:** New Construction of Evergreen High School to replace the existing school on campus. High level, this project consists of the Construction of 2 new Highschool BLDGS connected by a pedestrian walkway. The two buildings are called the "Activities Building that will be NFPA Type 1 (2 Stories) and the "Academic Building" that will be NFPA Type 3 (3 Stories). Total Square Footage is 214,500. The Project is broken into 3 Phases. Phase 1 is the early site grading and clearing, and underground utility work. Phase 2 is the construction of the 2 BLDGS along with a Bus Loop, Fire Lane, Courtyards, Walkways, and Tennis Courts. Phase 3 and 3B ARE NOT BEING COVERED ON THIS policy (3 is demo of old buildings and 3B is Main Entry Drive on the demo'd area from Phase 3)

Project Start:	5/15/2023
Project Complete:	8/19/2025
# Days:	<b>827</b>

**Project Location:** 830 SW 116TH ST , SEATTLE, WA 98146

Carrier	ZURICH (LEAD)	EVEREST	Eirion	Axis	Lexington	CHUBB (RTLDR DIRECT)	TOTAL
%	25.20%	25.00%	10.45%	3.23%	16.13%	20.00%	100.00%
Limit	\$39,058,911	\$38,754,050	\$16,200,000	\$5,000,000	\$25,000,000	\$31,003,240	<b>\$155,016,201</b>
Premium	\$420,073.00	\$416,739.00	\$174,197	\$53,842	\$268,835	\$333,391	<b>\$1,667,077</b>
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GROUND UP	\$1,667,177	\$1,666,956	\$1,666,874	\$1,669,276	\$1,666,951	\$1,666,955
% Higher than Lead	0%	0%	0%	0.13%	-0.01%	-0.01%
Optional TRIA	\$8,550.00	\$7,409	\$6,967	\$16,296	\$4,780	\$10,002
MEP	25%	25%	25%	25%	25%	\$85,848

Total Commission %	17.50%	17.50%	17.50%	15.00%	15.00%	15.00%	0.00%
Retail Commission %	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%	0.00%
Retail Revenue (Commission \$)	\$63,011	\$62,511	\$26,130	\$8,076	\$40,325	\$50,009	<b>\$250,062</b>
R Revenue (Fee + Commission)	\$33,602	\$33,343	\$13,935	\$4,310	\$21,500	\$0	<b>\$106,690</b>

15.00%  
8.00%

Required Secu

Received: