

# INSURANCE PROPOSAL

Korner, Pamela

## UNION COUNTY EDUCATIONAL SERVICES COMMISSION

PRESENTED BY JOHN J REDMOND, SR. VP.  
WILLIS OF NEW JERSEY JUNE 28, 2022

# Financial Summary

\*Property renewal premium includes an increase in building values of 7.5% and contents 5%. This is based on Marshall Swift bulletin with respect to trend factors for 2021-2022

## ***Payment Plans/Terms***

Please review the premium payment terms as set forth in this quote proposal. We will not be responsible for any consequences that may arise from any delay or failure by you to pay the amount payable by the indicated date

### Payment Terms

Description of Coverage Policy	Payment Terms
Diploma: Package & WC	2 installments due 7/15 and 11/15 to Diploma
Flood	Direct pay
All other policies	Annual prepaid to Willis by 7/15

Willis Towers Watson negotiates commission rates with certain insurers on a corporate level. If the rate on your placement is lower than the negotiated rate, Willis Towers Watson will collect the difference directly from the insurer. These payments will not increase the cost of your insurance or otherwise impact your premium or rates. Details of these arrangements where there is compensation beyond the base compensation detailed in your Quote Proposal can be found at:

[http://www.willis.com/About\\_Willis/The\\_Willis\\_Way/Commission\\_Rates/](http://www.willis.com/About_Willis/The_Willis_Way/Commission_Rates/).

## **Brokerage, Terms, Conditions & Disclosures**

An order to bind the coverage presented in this proposal shall be deemed an acceptance and agreement that this proposal is subject to Willis Towers Watson's Brokerage Terms, Conditions, and Disclosures "Brokerage Terms" that are incorporated as part of this proposal and available at: <https://www.willistowerswatson.com/-/media/WTW/Notices/Brokerage-Terms-Conditions-Disclosures.pdf>. If you would like a hard copy of the "Brokerage Terms," please contact any member of your Willis Towers Watson service team. If you have received a hard copy of this proposal, a hard copy of the "Brokerage Terms" is included for your convenience.

**Please review this proposal and advise of any changes or questions you may have. To request the binding of coverage, please contact me by phone or e-mail.**

# PREMIUM SUMMARY

<u>POLICY</u>	2022 RENEWAL PREMIUM/ASSESSMENT	CARRIER/ REINSURER	2021 EXPIRING PREMIUM/ASSESSMENT
<b>Package</b> including Property, Crime, Inland Marine, General Liability, Automobile Liability, Automobile Physical Damage, Garage	\$ 169,298	Diploma JIF	\$144,084
<b>Boiler &amp; Machinery</b>	\$ Included	Diploma JIF	Included
<b>Environmental</b>	\$ Included	Diploma JIF	Included
<b>Educators Legal Liability</b>	\$ Included	Diploma JIF	Included
<b>Umbrella</b>	\$ Included	Diploma JIF	Included
<b>NJCAP - Excess</b>	\$ 2,280	Fireman's Fund	\$1,824
<b>Workers Compensation</b>	\$227,933	Diploma JIF	\$233,165
<b>Medical Professional</b>	\$47,940	Landmark	\$47,940
<b>Student Accident</b>	\$4,652	QBE	\$4,652
<b>Accident Volunteers/Found</b>	\$ 508	QBE	\$508
<b>Flood</b>	\$6,232	Selective	\$8,706
<b>Public Official Bonds</b>	\$1,008	CNA	\$1,008
<b>Excess Liability</b>	\$12,500	*See below	\$7,709
<b>*Hudson \$10M, Allied World \$10M Great American \$10M</b>			
<b>Total</b>	<b>\$472,351</b>		<b>\$449,596</b>

All Other Policies

Annual Pre-paid

**PREMIUM PAYMENT SCHEDULE**

DIPLOMA

All Lines

2 Installments July 15 &  
November 15

All Other Policies

Annual Pre-paid

# COVERAGE SUMMARY



**2022-2023**  
**Coverage Overview**

# Diploma Joint Insurance Fund 2022-2023

2022-2023 Budget: \$11,506,056

2021-2022 Budget: \$10,824,586

6.3% increase, *including* exposure changes



# Diploma Joint Insurance Fund 2022-2023

## Average Assessment Increases

Includes exposure changes

- ◆ Total Budget: 6.3% increase
- ◆ Workers' Compensation: flat
- ◆ Package: 14% - 17% increase

## **Benefits of Diploma JIF Membership**

- ✓ MVR/Driver Records Checks
- ✓ Employment Practices Hotline
- ✓ Property Appraisals
- ✓ Online training programs

## Summary of Program

- ◆ Market Conditions Continue to Harden
- ◆ No Member Retention Changes

# Cyber Liability

COVERAGES	LIMITS
Third Party Liability	\$2,000,000 each event/aggregate
First Party Liability	\$750,000 each event/aggregate business interruption sublimit
Privacy Notification Costs	\$500,000 each event/aggregate or \$1,000,000 each event/aggregate if carrier vendor utilized
Regulatory Defense	\$250,000 each event/ \$2,000,000 aggregate
eCrime	\$75,000 aggregate
<i>Fund Retention</i>	\$50,000, \$100,000 or \$250,000 per occurrence based on member TIV
Member Retention	\$10,000

Refer to policy wording for actual limits, terms, conditions, deductibles and exclusions

# School Leaders Professional Liability

Limits of Liability	\$5,000,000 per claim/ \$5,000,000 aggregate per member
Excess Liability	Optional \$5,000,000, \$10,000,000 or \$15,000,000 limits available
Damages include any prevailing party fees that an Insured shall be required to pay pursuant to an IEP Hearing award. Subject to a \$100,000 limit of liability.	
Claims Made Form	
Full Prior Acts	
EPL Damages Include Front Pay/Back Pay	
Insured includes: the Named School Entity; the Board of Education of the Named School Entity or other governing board or body of the Named School Entity, including the Board of Regents, Board of Trustees or Board of Directors; Local Professional Development Committees; and Parent/Teacher Organization, Parent/Teacher Association, Booster Clubs or other Parent Organization sponsored by a Named School Entity	

Refer to policy wording for actual limits, terms, conditions, deductibles and exclusions

# Workers' Compensation

<b>COVERAGES</b>	<b>LIMITS</b>
Workers' Compensation	Statutory benefits as required by the State of New Jersey
Employers' Liability	\$5,000,000 per occurrence/aggregate
Communicable Disease	Claims treated on a per claimant basis rather than per occurrence



Refer to policy wording for actual limits, terms, conditions, deductibles and exclusions

# Pollution Liability

2022/2023 Changes Highlighted

COVERAGES	LIMITS
Pollution Liability	\$1,000,000 each claim \$5,000,000 aggregate
Catastrophe Management	\$250,000 per condition
Non-Owned Disposal Site	\$1,000,000 per condition \$5,000,000 aggregate
USTs	Premises Pollution Only for Scheduled Tanks \$250,000 SIR for tanks 20 years or older Passing tank tightness test less than 18 months old required
Sewage Backup	\$1,000,000 per operations \$5,000,000 agg operations  \$1,000,000 each/agg sewage backup condition \$50,000 SIR
Member Retention	\$50,000 per incident
Fund Retention	\$100,000 per incident
Exclusions	Detention Facilities/Indoor Environmental

Refer to policy wording for actual limits, terms, conditions, deductibles and exclusions

## Property Coverage Overview

- All Risk Coverage
- Blanket Limit: \$500,000,000 per occurrence
- Boiler and Machinery: \$100,000,000

COVERAGES	LIMITS
Property Valuation (Buildings & Business Personal Property)	Replacement Cost, Blanket Basis, No Coinsurance.
Property Valuation (Mobile Equipment & Autos)	Replacement Cost on buses 10 years of age or less.
Newly Acquired Location	\$25,000,000
Builders Risk-Subject to Reporting	\$25,000,000
Personal Effects Of Others	Included in Limit
Named Windstorm (Tier 1& 2)	\$85,000,000
Flood (Zones A or V)	\$25,000,000 per occurrence/per member / \$50,000,000 fund aggregate
Flood (All Other Zones)	\$10,000,000 per occurrence/per member / \$100,000,000 fund aggregate
Earthquake	\$25,000,000 per occurrence/aggregate

Refer to policy wording for actual limits, terms, conditions, deductibles and exclusions

Property  
Coverage  
Extensions,  
Continued

COVERAGES	LIMITS
Property In Transit	\$25,000,000
Extra Expense	\$50,000,000
Arson Reward	\$25,000
Athletic Facilities	\$5,000,000 scheduled/ \$1,000,000 unscheduled
Pollution And Contamination Cleanup	\$250,000 per occurrence/ \$500,000 aggregate
Demolition Cost & Increased Cost of Construction & Ordinance	\$25,000,000
Terrorism	\$100,000,000 per occurrence/ \$200,000,000 aggregate
Trees, Plants, Shrubs	\$5,000,000 scheduled/ \$1,000,000 unscheduled

Refer to policy wording for actual limits, terms, conditions, deductibles and exclusions

Property  
Coverage  
Extensions,  
Continued

Refer to policy wording for actual limits, terms, conditions, deductibles and exclusions

COVERAGES
Gym Floors
Debris Removal
Musical Instruments
Valuable Papers
Account Receivables
Sewer Backup
Musical Instruments
RETENTIONS
\$5,000 per occurrence Member Retention <sup>Trees, Plants, Shrubs</sup>
\$1,000 for Auto Physical Damage Member Retention
\$50,000 Boiler & Machinery <i>Fund Retention</i>
\$1,000,000 (Tier 1 & 2) Wind/Named Storm <i>Fund Retention</i>
Flood coverages for locations within Federal Flood Zone "A" and "V" shall apply, per member, excess of limits available by the National Flood Insurance Program, or the equivalent of said limits.



# Liability

COVERAGES	LIMITS
Primary Limit of Liability	\$10,000,000 Per Occurrence/ \$46,000,000 Fund aggregate
Additional Excess (AL/GL/EB only)	Total Limits up to \$15,000,000 and \$20,000,000 available/ \$50,000,000 fund aggregate
Premises Medical Payments	\$10,000 per person
Additional Insured	Obligated by contract or resolution and/or on file with the Fund
Student Teachers	Yes
Volunteers	Yes
Student Organizations	If authorized by Board or on file
Athletic Trainers	Yes
Limit of Liability – Sexual Misconduct	\$10,000,000 per occurrence/ \$28,500,000 Fund Aggregate
Fire Legal Liability	\$2,500,000
Employee Benefit Cov	Claims Made with \$5,000,000 per member annual aggregate
Law Enforcement For Security Guard	Covered, but special circumstances may apply
BI To Fellow Employees	\$25,000
Uninsured/Underinsured Motorist Liability	BI - \$15,000 per Occ/\$30,000 per Accident PD - \$5,000 per Accident
Executive Auto Liability (specifically identified auto provided a specific employee for business and personal use)	UM/UIM - \$1,000,000 Med Payments - \$500,000 PIP Option 8
Communicable Disease	\$500,000 per member aggregate

Refer to policy wording for actual limits,  
terms, conditions, deductibles and exclusions

# Crime

COVERAGES	LIMITS
Employee Dishonesty	\$500,000 per loss
Money & Securities (in & out)	\$50,000 per loss
Robbery or Safe Burglary	\$50,000 per loss
Outside the Premises	\$50,000 per loss
Computer Fraud	\$50,000 per loss
Funds Transfer Fraud*	\$50,000 per loss
Member Retention	\$1,000 per loss
Member Retention-Funds Transfer Fraud	\$25,000 per loss

\*Terms to be finalized

Refer to policy wording for actual limits, terms, conditions, deductibles and exclusions

## Important Notices

In our search for your insurance coverage we have used the wholesalers referenced below which have provided the recommended quotes.

<b>Name of Wholesaler</b>	<b>Amount of Wholesale Commission to be received by Willis Group of Companies</b>
AJ Gallagher	10%
TL Groseclose	10%
Hull & Company	11%
Balken Risk Management	5%

# Client Service Team

## **Client Service Team**

<b>NAME</b>	<b>TITLE</b>	<b>TELEPHONE #</b>	<b>FAX #</b>	<b>EMAIL ADDRESS</b>
John Redmond	Sr. Vice President	973 401 7454	973 410 4600	<a href="mailto:John.Redmond@willistowerswatson.com">John.Redmond@willistowerswatson.com</a>
Pam Korner	VP/Sr. Client Manager	973 401 7429	<b>973 410 4600</b>	<a href="mailto:Pamela.korner@willistowerswatson.com">Pamela.korner@willistowerswatson.com</a>
Barbara Malinchok	Assistant Client Service Associate	973 401 7435	<b>973 410 4600</b>	<a href="mailto:Barbara.malinchok@willistowerswatson.com">Barbara.malinchok@willistowerswatson.com</a>
Claim Central	N/A			<a href="mailto:claimcentral@willistowerswatson.com">claimcentral@willistowerswatson.com</a>

# Order to Bind



# DIRECTION FOR BINDING

Please review this proposal and advise of any changes or questions you may have. To request the binding of coverage, please complete and sign the following or contact me with your binding instructions.

As recommended by Willis in the Financial Summary. or

As follows:  
(insert complete instructions for binding including carrier, limits, options, etc.)

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Union County Educational Services Commission

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Title

\_\_\_\_\_  
Printed Name

Other Coverages for Consideration – Subject to Underwriting, Quoting and Binding	<input type="checkbox"/>	<input type="checkbox"/>
_____	<input type="checkbox"/> Yes	<input type="checkbox"/> No
_____	<input type="checkbox"/> Yes	<input type="checkbox"/> No
_____	<input type="checkbox"/> Yes	<input type="checkbox"/> No
_____	<input type="checkbox"/> Yes	<input type="checkbox"/> No

*If not indicated, coverage will not be pursued.*