



## **INSURANCE BID SPECIFICATIONS**

Novi Community School District

Coverage Effective: July 1, 2024 to June 30, 2025

Submitted as of: April 15, 2024

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## I. GENERAL INSTRUCTIONS

### A. Introduction

Novi Community School District will consider proposals for the commercial property / casualty insurance programs of the District.

### B. Deadline

Proposals are to be submitted on the basis of specifications attached and clearly marked "Insurance Proposals". They must be submitted to the office of the Assistant Superintendent of Business & Finance no later than **11:00 am, April 30, 2024**. Any proposals received after that time will be returned unopened to the sender. It is the responsibility of the bidders to arrange appointments for inspections or to obtain additional information.

### C. Inquiries

Questions on the bid specifications should be directed to:

Mr. Devin Kling  
Assistant Superintendent of Business & Operations  
Direct: (248) 449-1209  
Email: devin.kling@novik12.org

### D. Adherence to Specifications

You should address each area included in these specifications. Any deviation from the outlined coverages and limits must be specifically noted on a separate page in the proposal. The district reserves the right to dismiss any proposal that does not adhere to the outlined specifications.

Each coverage area of the specifications should be addressed. However, the specifications are not rigid. A program with a different number of deductibles, for example, would be considered where it better serves the District. Proposed programs are to be judged on the breadth of coverage, services and cost.

### E. Clarifications of Bids

The District reserves the right to discuss bids with each agent/broker to clarify any ambiguous points. The school board reserves the right to accept or reject any or all quotes and to waive any technicalities in the proposals, and to accept the proposals deemed to be the most advantageous to the School Board.

### F. Coverage term

It is planned the coverage will commence **July 1, 2024**.

## **G. Named insured**

Novi Community School District must be a Named Insured. For Liability Insurance, the following shall also be “insureds”:

1. Members of the School District governing board.
2. Officers and employees.
3. Volunteers, student teachers.
4. Student body organizations under the jurisdiction of the governing board, while under the supervision required by the governing board.
5. Any person using an owned, non-owned, or hired automobile and any person or organization legally responsible for the use thereof.
6. Contracted Employees of the district

The successful bidder will be contacted with any special additional insured or loss payee requirements. If there will be a charge for covering any additional interests, your quotation must so state.

## **H. Insurer Financial Rating**

Insurers must be acceptable to the District. All insurers must be identified by:

1. Full Name
2. Rating of “A” or better, according to the latest edition of Best’s Key Rating Guide.
3. Status as Admitted or Not Admitted insurers in Michigan.

## **I. Specimen Policies**

District reserves the right to request specimen copies of all insurance policies and endorsements quotation.

## **J. Cancellation and Nonrenewal**

Insurers should give the School District at least 90 days’ notice prior to cancellation, non-renewal, increase in premium or reduction in coverage.

## **K. Notice of Loss**

The notice of loss provision must indicate that notice will be given to the Insurer as soon as practicable after the person responsible for insurance matters for the District has knowledge of the loss, accident, occurrence or claim.

## **L. Premium Determination**

Bids must clearly show all amounts of insurance including any separate limits or sub-limits. For each coverage and sub-line you must clearly show:

1. The annual premium

2. Premium payment terms, if applicable
3. If any premium is adjustable or auditable, the basis of the premium and the rate.

#### **M. Account Services**

In addition to placement of insurance, the District desires the following services from all bidders:

1. Provide Loss Prevention and Risk Control Services – preferably from a full time dedicated scholastic and educational risk management professional.
2. Check the wording and accuracy of each policy, binder, certificate, endorsement or other document received from insurers and obtain revisions in such documents when needed.
3. Check the accuracy of rates and premiums charged.
4. Submit originals of all policies and endorsements to the School District.
5. Be available to answer questions from School District personnel.
6. Obtain answers from underwriters regarding policy coverage questions.
7. Assist the School District in identifying, measuring and monitoring loss exposures.
8. Prepare certificates of insurance as required by the School District.
9. Assist the District, if requested, in negotiating difficult claims with insurers.

If there are any restrictions on your ability to provide these services or if the cost is not included in your premium quotation, this should be noted in your bid. If any other services are contemplated in your proposal, these may also be noted. You are encouraged to identify additional services your firm can provide that you believe the District should purchase.

#### **N. Underwriting Information**

Property loss data and property values are contained in the appendices. If any additional underwriting information is needed, please contact the representative outlined on Page 3.

#### **O. Other Coverages**

These include Foreign Liability, Underground Storage Tanks (UST's), Pollution Liability, Special Events, various Bonds, and other miscellaneous coverages commonly needed by a typical public school district. The successful broker will be expected to place and service these coverages, if requested.

#### **P. Consideration of Proposal**

Novi Community School District reserves the right to reject any or all proposals and to disregard any informality in the proposals, when, in its opinion, the best interest of the School District will be served by such action.

#### **Q. Acceptance of Proposals**

All proposals will remain valid for acceptance up to **July 1, 2024** to allow the District time to review the proposals.

## **R. Broker/Agent Experience**

The district will also be evaluating the experience of the agency/brokerage submitting the proposal. Therefore, please include the following pieces of information within the proposal:

- Account Team chart with names, corresponding roles, duties and industry experience
- Explanation of experience in working with public K-12 schools
- Proposed timeline for service over a 12 month period
- Certificate providing proof of Errors and Omissions coverage with a minimum limit of \$1,000,000 per occurrence

## **S. Group Purchase / Pooling / Self-Insurance Arrangements**

Bidders representing a group purchase program, self-insured fund, or pool must adhere to and provide the following information as it relates to the administration of their program:

- Complete explanation of any assessment clauses applicable.
- Provide a copy of the organization's by-laws and outline any requirements for the term of membership, notice of potential withdraw, etc.
- The most recent audited financial of the organization including funding levels of the program's Loss Funds.
- Furnish a current A.M. Best Policyholder rating for each separate insurance company with which coverage is quoted
- List of current members of the organization

## II. PROPERTY INSURANCE SPECIFICATIONS

### A. Property to be insured

Coverage shall apply to:

1. Buildings and Property in the Open (PIO)
2. Business Personal Property (BPP)
3. Extra Expenses arising from the destruction of any Real and Personal Property
4. Valuable Papers and Records and Accounts Receivables
5. Property in Transit
6. Business Interruption including Loss of Rents

### B. Perils to the Insured

Coverage is to be provided on an "All Risk" basis including Sewer Backup. All exclusions must be clearly stated.

### C. Form of Coverage

No specific coverage form is required. It is in your best interest to propose the broadest coverage and the most favorable terms and conditions possible.

### D. Valuation

Property shall be valued as follows:

1. PIO and BPP – Blanket Agreed Value with Replacement Cost
2. All Other – Replacement Cost

**The policy form you propose should also cover:**

1. Increased cost of construction brought about by changes in building codes or ordinances.
2. Cost of demolition.
3. Cost of Debris Removal.

### E. Policy Provisions

The following policy provisions are considered desirable and should be provided to the extent possible:

1. Waive all coinsurance clauses.
2. Include a Property/Boiler Joint Loss Agreement.
3. Provide automatic coverage for:

- a) Newly acquired property.
- b) Property in the course of construction - \$7,000,000 automatic coverage
- c) Property not otherwise scheduled.

4. It is desirable to remove policy limitations, which restrict coverage solely to scheduled locations.

**F. Property Limits**

Below is an outline of the district’s current property limits and sub-limits. Preference will be given to bids with a blanket limit covering all direct and consequential losses. If sub-limits are applied, they should be at least the amounts shown below:

Coverages	Pool Wide Limit
Buildings, Contents, Mobile Equipment, Auto Physical Damage, Time Element & Business Interruption, Garage Keepers Liability and Other Autos in your Care	\$402,000,000
Earthquake & Flood (Excluding Flood Zone A) Flood Zone A	\$27,000,000 \$10,000,000
Builders Risk	\$7,000,000
Extra Expense	\$2,000,000
Artificial Turf	Included
Extra Expense	Included
Fiber Optic Lines	Included

**Additional coverages the district will consider in the bidding process include those outlined below, subject to the limits suggested by the broker / agent / insurer :**

Debris Removal	Library Restocking costs
Fungus, wet rot, dry rot and bacteria	Newly Acquired Business Personal Property
Pollutants clean up and removal	Non-owned detached trailers
Fine Arts – non-scheduled	Off Premises Utility Service Interruption
Ordinance or Law	Personal Effects and Property of Others
Property in Transit	

**G. Deductibles**

Quote the following deductible options for the Blanket Property coverages:

All Perils:

- a) \$3,500 per occurrence, \$25,000 Pollution, \$100,000 Mold
- b) Other deductible options will be considered as proposed including: \$5,000 and \$10,000



Please indicate if your proposed coverage includes any of the coverages listed below:

Property Section	Yes	No
Coverage on all buildings, contents and outdoor property & equipment (including artificial turf, if applicable)		
"All Risk" Replacement cost on building & contents (if replaced)		
Waiver of Coinsurance or Agreed Amount		
Automatic coverage for newly acquired or constructed properties, including contents		
Builders Risk – Automatic Coverage included up to \$7,000,000		
Extra Expense and Business Interruption		
Ordinance & Law/Increased Cost of Construction		
Sewer Backup - Included		
Pollution clean-up caused by a covered property peril (\$50,000)		
Glass coverage – included / all locations		
Fiber Optic Cables - included		
Debris Removal included		
Signs coverage included		
Terrorism (TRIA) Coverage		

### III. CRIME INSURANCE SPECIFICATIONS

#### A. Coverage

The coverages and limits for which quotations are being sought are:

Coverage	Limit
Employee Dishonesty, Money and Securities, Depositors Forgery, Counterfeit Paper, Unfaithful Performance	\$1,000,000
Social Engineering Fraud	\$250,000

#### B. Policy Provisions

The following provisions are being requested:

1. The term 'employee' should be defined to include students while having possession of money belonging to the District or to a "student activity".
2. Coverage shall be provided on a blanket basis for all employees.
3. Affiliated groups and associations (PTO's, Booster's, Student Foundations, etc.) if they run their finances through the district fiscal office, and its governing board are named or approved by the school district.

#### C. Deductibles

Quote the following deductibles for all crime coverages:

1. \$3,500 per occurrence  
\$5,000 per occurrence - Social Engineering
2. Other deductible options will be considered as proposed

#### D. Premium determination

Bids must clearly show all premium charges. If any premiums are adjustable, the precise method of adjustment must be set forth in detail.

#### E. Underwriting information

Employee counts are provided in the appendix.

## IV. BOILER AND MACHINERY

### A. Coverage

Limit: \$200,000,000 with sub-limits of:

Form: Comprehensive Coverage

### B. Limits

The below limits and sublimits are being requested:

Coverages	Limits
Production Machines, Public Utility Interruption, State Inspections	\$200,000,000
Spoilage	10,000,000

**Additional coverages the district will consider in the bidding process include those outlined below, subject to the limits suggested by the broker / agent / insurer :**

Business Income	Hazardous Substances
Extra Expense	Newly Acquired Locations
Contingent Business Income	Off Premises Equipment Breakdown
Data Restoration	Ordinance or Law
Demolition	Green
Expediting Expenses	Public Relations

### C. Deductible

All coverages are subject to a \$3,500 per occurrence with indirect coverages having a 24-hour waiting period. Other deductible options will be considered as proposed including: \$5,000 and \$10,000

## V. COMMERCIAL GENERAL LIABILITY SPECIFICATIONS

### A. Coverage

The School District is seeking the following coverages:

1. Comprehensive General Liability
2. Sexual Abuse and Molestation
3. Personal Injury Liability
4. Fire Legal Liability
5. Employee Benefits Errors and Omission Liability (Claims Made)
6. Products/Completed Operations Liability
7. Law Enforcement Legal Liability

Occurrence based coverage is required unless noted above.

Defense Costs, Charges and Expenses are in addition to the Limit of Liability

### B. Limits and Deductibles

Quotations are to be provided for the below limits and corresponding deductible:

Liability Section	Deductible	Limit(s)
Bodily Injury & Property Damage	\$0	All limits are up to \$11,000,000
Personal Injury Liability	\$0	
Security & Law Enforcement Liability	\$0	
Employee Benefit Liability	\$0	
Fiduciary Liability (Retro 7/1/09)	\$0	
Liquor Liability	\$0	
Sexual Abuse / Molestation	\$0	\$7,000,000 limit

**Additional coverages the district will consider in the bidding process include those outlined below, subject to the limits suggested by the broker / agent / insurer :**

Liability Section	Deductible	Limit(s)
Premises Medical Payments	\$0	\$5,000 / Person \$25,000 / Occurrence

Maximum aggregate liability limit available is \$11,000,000 for the policy year. This is applicable to School Board Legal Liability, Automobile Liability and Commercial General Liability.

**C. Premium**

Bid must clearly show all premium charges. If any premiums are subject to adjustment, the precise method of adjustment (rating basis, rates and timing of adjustment) must be set out in detail.

**D. Underwriting Information**

Liability underwriting data and loss information is contained in the appendices.

Please indicate if your proposed program includes any of the coverages listed below.

<b>Liability Section</b>	<b>Yes</b>	<b>No</b>
“Pay on behalf” Casualty policy form		
Owners, Landlords & Tenants		
Products Liability – Completed Operations		
Sexual Abuse – Sexual Molestation		
Fire Legal Liability		
Employee Benefit Liability (claims made form)		
Broad Form Property Damage		
Owned & Non-Owned Watercraft		
Incidental Malpractice		
Personal Injury		
Blanket Contractual – oral and written		
Explosion, Collapse, Underground Property Damage		
Host Liquor		
Corporal Punishment		
Blanket Additional Insured Provision		
Volunteers as Additional Insured		
Worldwide coverage – Suits brought in U.S.A.		

## VI. SCHOOL BOARD LEGAL LIABILITY SPECIFICATIONS

### A. Coverage

The School District is seeking the following coverages:

1. School Leaders Errors and Omissions Liability coverage including full prior acts coverage.
2. Defense Costs, Charges and Expenses are in addition to the Limit of Liability
3. Coverage includes Sexual Harassment
4. Coverage includes Employment Practices Violations.

Claims Made Coverage Form with below Retroactive Dates

### B. Limits and Deductibles

Quotations are to be provided for the below limits and corresponding deductibles:

Liability Section	Deductible	Limit(s)
Errors & Omissions (Retroactive date 7/1/1997)	\$25,000	\$11,000,000
State Hearings	\$5,000	\$50,000
Nonmonetary Hearing Coverage	\$5,000	\$100,000
Employment Practices Liability including Front & Back Pay (Retroactive date 7/1/2000)	\$25,000	\$11,000,000

Maximum aggregate liability limit available is \$11,000,000 for the policy year. This is applicable to School Board Legal Liability, Automobile Liability and Commercial General Liability.

### C. Premium

Bid must clearly show all premium charges. If any premiums are subject to adjustment, the precise method of adjustment (rating basis, rates and timing of adjustment) must be set out in detail.

### D. Underwriting Information

Liability underwriting data and loss information is contained in the appendices.

## VII. AUTOMOBILE SPECIFICATIONS

### A. Coverage

The School District is seeking the following coverages:

1. Comprehensive Automobile Liability including hired and non-owned liability
2. Automobile Physical Damage coverage
3. Garage Liability and Garagekeeper's Legal Liability
4. Sexual Abuse and Molestation for wrongful acts occurring in a vehicle

### B. Limits and Deductibles

Quotations are to be provided for the below limits and corresponding deductibles. The liability portion shall have no deductible assigned.

Liability Section	Limit(s)
Bodily Injury / Property Damage	\$11,000,000 C.S.L.
Uninsured/ Underinsured Motorist	\$11,000,000
Hired and Non-Owned Liability	\$11,000,000
Personal Injury Protection (PIP)	Stated per Statute
Property Protection Coverage (PPC)	Stated per Statute

\*C.S.L. = Combined Single Limit

Maximum aggregate liability limit available is \$11,000,000 for the policy year. This is applicable to School Board Legal Liability, Automobile Liability and Commercial General Liability.

Physical Damage Section	Deductible	Limit(s)
Comprehensive	\$1,000	Actual Cash Value or cost to repair. Whichever is less. RCV on busses 3 years or newer
Broad Form Collision	\$1,000	Actual Cash Value or cost to repair. Whichever is less.
Hired and Non-Owned Physical Damage	\$0	\$11,000,000
Automatic Coverage for Newly Acquired Vehicles	-	Included
Garagekeepers Liability	\$0	Included

**C. Premium**

Bid must clearly show all premium charges. If any premiums are subject to audit, the precise method of audit (rating basis, rates and timing of adjustment) must be set out in detail.

**D. Underwriting Information**

Liability underwriting data and loss information is contained in the appendices.

Please indicate if your proposed program includes any of the coverages listed below.

<b>Liability Section</b>	<b>Yes</b>	<b>No</b>
Automatic Acquisition coverage or new automobiles without additional premium charge		
Coverage for Sexual Abuse wrongful acts in vehicle		



## X. VIOLENT EVENTS COVERAGE SPECIFICATIONS

### A. Coverage

The School District is seeking the following coverages to protect them from acts of violence and terrorism:

1. School Violent Acts Coverage

### B. Limits

Current limits and coverages are outlined below.

Quotations are to be provided for limits of:

Coverages	Limit(s)
School Violent Acts Coverage	\$250,000

**Additional coverages the district will consider in the bidding process include those outlined below, subject to the limits suggested by the broker / agent / insurer :**

Coverages	Limit(s)
Terrorism Property Coverage	\$150,000,000 Pool Wide per Occurrence and Aggregate Limit \$25,000,000 per Occurrence and Aggregate Sub-limit for Biological and Chemical Terrorism
Terrorism Liability Protection	\$5,000,000 / Occurrence
<b>School Violent Acts Coverage:</b>	
Crisis Expense Limit	\$1,000,000 / Occurrence \$1,000,000 Annual Aggregate
Upgrading Expenses	\$100,000 / Event
Extra Expense	\$100,000 / Event

### C. Deductible

Deductible: \$1,000

### D. Premium

Bid must clearly show all premium charges. If any premiums are subject to adjustment, the precise method of adjustment (rating basis, rates and timing of adjustment) must be set out in detail.

## VIII. CYBER LIABILITY SPECIFICATIONS

### A. Coverage

The School District is seeking the following coverages:

1. Media, Privacy & Cyber Security including privacy regulatory defense, awards and fines.

### B. Limits

Below is an outline of the specific coverages sought by the district along with the corresponding limits. Please know the Aggregate Limit per District is \$1,000,000.

Coverages	Limit(s)
Policy Aggregate	\$1,000,000
Sublimits of Liability - Ransomware/Malware	\$1,000,000
Cyber Extortion Sublimit of Liability (Ransomware Payment Only)	\$1,000,000
Dependent Business Sublimit of Liability	100,000

### C. Deductible

Deductible: \$50,000

### D. Premium

Bid must clearly show all premium charges. If any premiums are subject to adjustment, the precise method of adjustment (rating basis, rates and timing of adjustment) must be set out in detail.

## VIII. POLLUTION LIABILITY SPECIFICATIONS

### A. Coverage

The School District is seeking the following coverages:

1. Pollution legal liability coverage with associated clean up costs

### B. Limits

Below is an outline of the specific coverages sought by the district along with the corresponding limits. Please know the Aggregate Limit per District is \$1,000,000.

Coverages	Limit(s)
Policy Aggregate with coverages including: Remediation Expenses Emergency Response Costs Third Party Liability and Property Damage Disinfection Expenses Business Interruption	\$1,000,000

### C. Deductible

Deductible: \$25,000 for all coverages except Mold, which carries a \$100,000 deductible

### D. Premium

Bid must clearly show all premium

## IX. ADDITIONAL SERVICES SPECIFICATIONS

Currently the district enjoys an array of additional services and benefits that will be taken into consideration when evaluating proposals. Please indicate below if your proposal includes any of the following:

<b>Additional Services/Benefits</b>	<b>Yes</b>	<b>No</b>
Net Asset Returns (i.e. Surplus returns) on Property/Casualty program		
Property Appraisal Services included at no cost		
Access to online training at no cost		
Online access to report claims		
Playground Inspections		
Loss Control Visit(s) from scholastic consultant		

## Appendix A UNDERWRITING DATA

### LOCATIONS & STATEMENT OF PROPERTY VALUES

Building Name	Address	Replacement Cost New Less Exclusions	Modeled Contents Value	Total Insurable Value
Administration (ESB)	25345 Taft Rd	\$2,830,820	\$761,220	\$3,592,040
Deerfield Elementary	26500 Wixom Rd.	\$19,940,490	\$2,802,180	\$22,742,670
Early Childhood Center	25745 Taft Rd.	\$12,079,620	\$1,235,560	\$13,315,180
Roar Center	41500 Gardenbrook	\$5,215,540	\$370,460	\$5,586,000
ITC	25425 Taft Rd.	\$7,724,970	\$3,207,680	\$10,932,650
Maintenance	45495 11 Mile Rd.	\$3,177,100	\$699,920	\$3,877,020
Novi High School	24062 Taft Rd.	\$136,715,910	\$17,502,200	\$154,218,110
Novi Meadows 5 <sup>th</sup>	25549 Taft Rd.	\$21,368,550	\$4,087,050	\$25,475,600
Novi Meadows 6 <sup>th</sup>	25299 Taft Rd.	\$25,176,780	\$2,924,540	\$28,101,320
Novi Middle	49000 11 Mile Rd.	\$51,790,840	\$6,585,650	\$58,376,490
Novi Woods Elem.	25195 Taft Rd.	\$16,304,980	\$2,299,570	\$18,604,550
Orchard Hills Elem.	41900 Quince Rd.	\$22,311,740	\$2,697,270	\$25,009,010
Parkview Elem.	45825 11 Mile Rd.	\$25,560,960	\$2,748,690	\$28,309,650
Parkview Athl.	45825 11 Mile Rd	\$694,820	\$45,740	\$740,560
Preschool	25575 Taft Rd.	\$496,200	\$126,020	\$622,220
Reno/Construction		\$0	\$1,000,000	\$1,000,000
Transportation	45505 11 Mile Rd	\$3,109,140	\$650,170	\$3,759,310
Village Oaks Elem.	23333 Willowbrook	\$20,976,270	\$2,606,320	\$23,582,590
<b>TOTAL</b>		<b>\$375,474,730</b>	<b>\$52,350,240</b>	<b>\$427,844,970</b>

Additional values:

- Auto Physical Damage (throughout district) – \$4,437,099
- Extra Expense (throughout district) - \$2,000,000
- Mobile Equipment (throughout district) - \$361,600

### Staff/Student Count:

EXPOSURE INFORMATION	2023-2024
Staff Count	891
Student Count	6,718

## Automobile Count:

Vehicle Count	Vehicle Description
10	71 Passenger School Bus
23	77 Passenger School Bus
3	SEL School Bus (Lift Gate)
10	Trucks
5	Vans
1	Dump Truck
4	Flat Bed Trailers
7	Enclosed Trailers

Driver Information – Will be furnished to the successful bidder.

Vehicle Schedule – Will be furnished to the successful bidder.

## CLAIMS HISTORY – PROPERTY/CASUALTY

Policy Year	Property	Auto Physical Damage	Auto Liability	General Liability	E & O & Employment Practice	Total
2015-2016	\$98,512	\$0	\$4,311	\$0	\$16,986	\$119,809
2016-2017	\$62,949	\$0	\$4,844	\$0	\$4,217	\$72,010
2017-2018	\$65,948	\$12,357	\$27,150	\$11,576	\$0	\$117,031
2018-2019	\$10,484	\$1,886	\$5,509	\$0	\$0	\$17,879
2019-2020	\$0	\$0	\$457	\$0	\$0	\$457
2020-2021	\$0	\$0	\$9,709	\$0	\$3,472	\$13,181
2021-2022	\$0	\$0	\$5,675	\$8,300	\$54,371	\$68.346
2022-2023	-	-	\$2441	-	-	\$2441