

**SWEET HOME CENTRAL SCHOOL DISTRICT
OF AMHERST AND TONAWANDA**

M E M O R A N D U M

TO: Michael V. Ginestre, Superintendent of Schools
FROM: Donald G. Feldmann, Assistant Superintendent for Finance & Plant Services
DATE: June 10, 2024
RE: District General Liability / Cyber Security Insurance

Handwritten notes in blue ink: "Approved 6/11/24" and a circled "X" with a checkmark.

Background:

Earlier this school year, the District's current general liability (including commercial property and auto) and cyber security insurance provider, New York State Schools Insurance Reciprocal (NYSIR), sent a letter informing the District of a potential 25-30% in our annual premium.

It was at that point, I facilitated a meeting with Utica National and Gallagher Insurance Brokers to discuss a potential switch in our general liability policy. NYSIR and Utica are the only two entities to insure school districts in New York State.

Quote Results:

Utica National

General Liability Premium:	\$387,492
Stand-Alone Cyber Policy:	\$18,867
Total:	\$406,359

NYSIR

General Liability Premium:	\$412,913
Crime (Included in Utica general policy):	\$4,421
Stand-Alone Cyber Policy:	\$18,000
Total:	\$435,334

Recommendation:

Based on the above costs, I would recommend that the District move forward with **Utica National Assurance Company** for general liability (including commercial property, auto and crime) as well as a stand-alone cyber security policy for the annual premium for the 2024-25 school year of \$406,359.

Utica insures approximately half of the District's in New York State and I am confident that the District is well protected and will see some significant advancements and improvements on overall coverage.

INSURANCE SUMMARY FOR

Sweet Home Central School District
1901 Sweet Home Road
Amherst, NY, New York 14228



Gallagher

Insurance | Risk Management | Consulting

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June 2024

This presentation is designed to give you an overview of the insurance coverages we recommend for your company. It is meant only as a general understanding of your insurance needs and should not be construed as a legal interpretation of the insurance policies that will be written for you. Please refer to your specific insurance contracts for details on coverages, conditions, and exclusions.

COMMERCIAL PACKAGE POLICY PROPOSAL

Company:	Utica National Assurance Company
Policy Term:	07/01/24 – 07/01/25

PROPERTY

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**\$
246,588,296*****Blanket Buildings & Contents** (*same as expiring limit*)

"Special" Form Perils
 Replacement Cost Valuation at 90% Coinsurance
 Agreed Value
 \$5,000 Deductible

**\$ 1,350,900 Vacant Building- 154 North Ellicott
Building**

"Basic" Form Perils
 Actual Cash Value at 100% Coinsurance
 \$10,000 Deductible - Per Occurrence
 \$25,000 Water Damage Deductible

\$ 500,000 Limited Water Damage

\$ 10,000 Underground Pipes, Flues & Drains *

\$ 25,000 Spoilage *

\$ 1,000,000 Back-up of Sewers & Drains (Not flood related) \$500 Ded.

\$ 25,000 Flood - \$500 Deductible**\$ 500,000 Excess Flood- \$50,000 Deductible****\$ 1,000,000 Earthquake - \$25,000 Deductible**

\$ 100,000 Pollutant Clean-up and Removal *

\$ 10,000 Fences *(see Form 8-S-2735)

Actual Loss
 Sustained
 24 Months

Business Income & Extra Expense *

\$ 100,000 Property Off Premises *

\$ 100,000 Property In Transit *

\$ 50,000 Miscellaneous Outdoor Structures (per structure)

\$ 100,000 Theft of Building Material and Supplies – Newly Constructed Buildings

****Included in Head of the Class Uniflex Endorsement*****SCHEDULE OF PREMISES**

Location	Described Premises
001	High School, Materials Storage, Grounds Storage Garage, Salt Storage, Concession Stand, Athletic Storage, Press Box, New Concession Stand, New Press Box/ Grandstands, Dugouts 1-4, Old Dugouts 1 & 2, Turf Field, Garage, Press Box Shed, Grounds HS Storage 1901 Sweet Home Road Amherst, New York 14228
002	Middle School, Athletic Storage 4150 Maple Road

	Amherst, New York 14228
003	Dexter Elementary School, Classroom Building, Playground Building 333 Dexter Terrace Tonawanda, New York 14228
004	Glendale Elementary School 101 Glendale Avenue Amherst, New York 14228
005	Maplemere Elementary School, Modular Classroom #CR220 236 East Maplemere Amherst, NY 14228
006	Willowridge Elementary School 480 Willowridge Drive Amherst, NY 14228
007	Heritage Heights Elementary School 2545 Sweet Home Road Amherst, NY 14228
008	Bus Garage 1741 Sweet Home Road Amherst, NY 14228
009	Vacant Storage Building 154 North Ellicott Amherst, NY 14228

EQUIPMENT BREAKDOWN COVERAGE

Full Blanket Limit Direct Damage

Actual Loss
Sustained

Business Interruption/Extra Expense

\$ 25,000 Spoilage/Perishable Goods

Deductibles:

NONE for Business Interruption/Extra Expense

\$ 500 Spoilage

\$ 1,000 All Other

DATA PROCESSING COVERAGE

\$ 768,581	Blanket Equipment (plus an additional \$100,000 per building)
\$ 500,000	Blanket Processing Equipment
\$ 10,000	Blanket Data, Media & Computer Program - Per Building
\$ 10,000	Blanket Extra Expense - Per Building

Replacement Cost Valuation
\$500 Deductible

INLAND MARINE (FLOATER) COVERAGES

		Valuation	Ded
\$ 500,000	Audio Visual Equipment	R.C.	\$ 500
\$ 1,492,094	IPads	R.C.	\$ 500
\$ 100,000	Leased/Rented Equipment	R.C.	\$ 500
\$ 500,000	Musical Instruments - Blanket **	R.C.	\$ 500
\$ 500,000	Misc. School Equipment - Blanket **	R.C.	\$ 500
\$ 50,000	Cameras, etc. - Blanket **	R.C.	\$ 500
\$ 15,000	Fine Arts (\$2,500 Max. per Item) **	R.C.	\$ 500
\$ 30,000	Signs **	R.C.	\$ 500
\$ 10,000	Per location Radio & T.V. Equipment at school premises	R.C.	\$ 500
	**		

****Included in Head of the Class Uniflex Endorsement**

*** Miscellaneous School Equipment is limited to only the following types of Covered Property: ground maintenance equipment, Miscellaneous athletic equipment, mobile radio systems, Automatic External Defibrillators, and band and athletic uniforms.

FIDELITY/CRIME

\$ 2,000,000	Public Employee Dishonesty & Faithful Performance
	Per Loss - \$1,000 Ded.

Special Additional Coverage Limits - Selected Positions:

\$ 1,000,000	* Tax Collector
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\$ 1,000,000	*	Treasurer
	*	
\$ 1,000,000	*	Internal Auditor
	*	
\$ 2,000,000		Computer Fraud & Funds Transfer Fraud (Includes \$100,000 limit for Fraudulent Impersonation)

*****Included in Head of the Class Uniflex Endorsement***

GENERAL LIABILITY

\$	General Aggregate Limit
3,000,000	
\$	Products/Completed Operations Aggregate Limit
3,000,000	
\$	Personal & Advertising Injury Limit
1,000,000	
\$	Each Occurrence Limit
1,000,000	
\$	Fire Damage Limit (Any One Fire)
1,000,000	
\$	Medical Expense Limit (Any One Person)
10,000	
\$	Crisis Event Expense Coverage – Aggregate Limit
1,000,000	
\$	Crisis Event Expense Coverage – Each Person Limit
25,000	
\$	Limited Pollution Liability Limit
1,000,000	
	Law Enforcement and Security Officers Coverage
Included	

Note: Utica's proposal does NOT include Garage Liability as this is typically a throw-in coverage from NYSIR that is not applicable unless the District is working on other people's vehicles. Utica can include this coverage, if applicable.

EMPLOYEE BENEFIT PROGRAMS LIABILITY

\$	Each Claim
1,000,000	
\$	Aggregate Limit
3,000,000	
	\$1,000 Deductible
	Retroactive Date - NONE

SCHOOL DISTRICT AND EDUCATORS LEGAL LIABILITY

\$	Each Loss
1,000,000	
\$	Aggregate for Each Annual Policy Year
3,000,000	
	IEP Per Suit Additional Defense Coverage
\$	
25,000	
\$	IEP Aggregate Defense Limit
100,000	



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\$5,000 Retained Amount (only applicable to "loss" amount)

Retroactive Date – NONE

EMPLOYMENT-RELATED PRACTICES LIABILITY

\$ Each Loss
1,000,000
\$ Aggregate for Each Annual Policy Year
1,000,000
\$5,000 Retained Amount (Each Loss)
Retroactive Date – NONE

ABUSE OR MOLESTATION LIABILITY

\$ Each Claim – Legal Liability
1,000,000
\$ Aggregate Limit
3,000,000
\$ Per Incident Limit – Your Investigation Expenses
10,000

LIMITED UNMANNED AIRCRAFT LIABILITY

Aggregate Limit
\$
250,000

CYBER SUITE (SDELL) EXTENSION – *quoting standalone policy as well*

\$ 1,000,000 First Party Aggregate Limit - Each Incident Limit
(Data Compromise Response Expense at aggregate limit, 1st Party Named Malware \$100,000, Forensic IT Review \$125,000, Legal Review \$125,000, Public Relations \$5,000, Loss of Business \$125,000, and Cyber Extortion \$25,000)
\$ 1,000,000 Third Party Aggregate Limit
(Data Compromise Defense and Liability up to the aggregate limit, 3rd Party Named Malware \$100,000, Network Security Liability up to the aggregate limit)
\$ 25,000 Identity Recovery Aggregate Limit Per Identity Recovery Insured
\$ 10,000 deductible



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AUTOMOBILE

Company:	Utica National Insurance Co. of Ohio
Policy Term:	07/01/24 – 07/01/25

\$ 1,000,000	Liability
\$ 150,000	Personal Injury Protection (PIP) (Basic Economic Loss) (Mandatory PIP of \$50,000 + Added PIP of \$100,000)
\$ 5,000	Medical Payments
\$ 50,000	Uninsured Motorists
\$ 1,000	Ded. Comprehensive
\$ 1,000	Ded. Collision
Included	Hired Auto - Liability
\$ 40,000	Hired Auto - Physical Damage Comprehensive \$1,000 Deductible Collision - \$1,000 Deductible
\$ 1,000,000	Non-Owned Auto - Liability
\$ 1,000	Limited Physical Damage for Personal Autos of Employees or Volunteers
\$ 5,000	Towing Service/Service Call (towing and labor costs)
Included	"Commercial Automobile Extension Endorsement" see attached

UMBRELLA

Company:	Utica Mutual Insurance Co.
Policy Term:	07/01/24 – 07/01/25

\$ 15,000,000	General Aggregate Limit
\$ 15,000,000	Products/Completed Operations Aggregate Limit
\$ 15,000,000	Each Incident Limit
\$ 10,000	Retained Limit

Retroactive Dates:

EBL – None (Full Prior Acts)
SDLL – None (Full Prior Acts)
ERPLI – None (Full Prior Acts)

PREMIUM SUMMARY

Sweet Home Central School District

DESCRIPTION OF COVERAGE	2023-24 PREMIUMS	2024-25 UTICA PREMIUMS
PACKAGE Including: Property General Liability School District Legal Liability (E&O) Employment-Related Practices Liability Employee Benefits Liability Inland Marine Crime	\$ 263,654.00	\$ 278,191.00
Commercial Automobile Policy	\$ 65,430.00	\$ 84,509.00
Commercial Umbrella Policy	\$ 48,950.00	\$ 27,492.00
Cyber Liability*	Included	Included
TOTAL	\$ 382,455.00	\$390,192.00

Notes:

1. Utica's Crime coverage is included in their Package policy. NYSIR's Crime coverage is outsourced to Travelers on a separate policy, which is why the premium is shown separately.
2. *Cyber Insurance was included with Utica package policy. We are recommending a stand-alone cyber insurance policy. We have two deductible options for the district. \$25,000 deductible option is \$18,867 additional premium and the \$50,000 deductible option is \$16,995 additional premium.
3. Optional Uninsured Motorist limit of \$1,000,000, currently \$50,000: \$7,262.00

A summary of coverage improvements included in Utica's proposal are as follows:

- **Flood and Earthquake** coverage is being offered at limits of \$500,000/1,000,000 each. The District's limits provided by NYSIR are decreasing to \$500,000 each at renewal per the Conditional Renewal Notices provided.
- **IEP Additional Defense Coverage** was added at limits of \$25,000 per suit and \$100,000 aggregate
- **Employment Related Practices Liability Insurance (ERPLI)** was added provided coverage for back and forward wages and claims of mental anguish. Coverage applies to claims made by volunteers and extends to claims of harassment and discrimination by customers, clients, suppliers, vendors, service providers, and business invitees. In addition, coverage is triggered as soon as notice is received instead of when a suit is filed.
- **Cyber insurance** is being offered at an aggregate limit of \$1,000,000 with no sublimit on Ransomware coverage. (\$50,000 previously)
- **Law Enforcement and Security Officers Liability** coverage is being added at the \$1,000,000 General Liability limit to cover wrongful acts while acting within the scope of their law enforcement duties for the District.
- **Unmanned Aircraft Liability** coverage is being added at an aggregate limit of \$250,000 applicable to the District's use of drones.
- **Umbrella Liability** limit is being offered at a \$15,000,000 limit per occurrence with the expectation that NYSIR will offer this amount based on their Conditional Renewal Notice provided to district. In addition, Umbrella coverage is inherently broader coverage than the District's current Excess Liability coverage provided by NYSIR.



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Gallagher has a dedicated K-12 Education practice group with more than 40 years of serving those who support our students and communities.

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- Facilities use

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- BOCES
- Private Schools

Coverages:

- Property and Liability
- Workers' Comp
- Cyber
- Student Accident
- Tank Pollution
- Builders Risk
- PTA/PTO Liability

Our dedicated team:



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CRUM & FORSTER*
A FAIRFAX COMPANY

Crum & Forster Specialty Insurance Company (Non-Admitted)



A.M. BEST RATED
"A" (EXCELLENT)

C&F Simple Cyber CYBER AND MULTIMEDIA LIABILITY INSURANCE QUOTATION OF TERMS

DATE: 05/29/2024

☒ NEW

☐ RENEWAL OF:
POLICY NUMBER:
EXPIRATION DATE:

NAMED INSURED: SWEET HOME CENTRAL SCHOOL DISTRICT
STREET ADDRESS: 1901 sweet home Rd
Amherst, NY 14228

PROPOSED POLICY PERIOD: Effective: 07/01/2024 Expiration: 07/01/2025
(12:01 a.m. local time at the address shown above)

POLICY FORM: Cyber and Multimedia Liability Insurance Policy, SC-POL-002 (01/22)

COVERAGE OPTIONS:

☒ A. Breach Costs

☒ C. Multimedia Liability
-contingent B/I & P/D

☒ E. Cyber Extortion Loss

☒ B. Cyber Liability
-network security & privacy liability
-regulatory liability and defense
-PCI fines and assessments
-contingent B/I & P/D

☒ D. eCrime Loss
-social engineering
-fraudulent funds transfer
-telephone system fraud
-invoice manipulation

☒ F. First Party Loss
-data asset loss
-loss of income and extra expense
-bricking
-reputational loss
-cryptojacking

SERVICES: ☒ C&F Cyber Response Team – 24/7/365 ☒ CFcyberASSIST
-Phishing.com Simulations
-Knowledge Center
-Unlimited Advice

SUBJECTIVITIES:

This Quotation is subject to our receipt, review and underwriting approval of the following required additional information prior to binding:

1. Signed and dated Crum and Forster Warranty Attestation.
2. Prior carrier loss runs.

SYSTEMIC EVENT: ☒ Not Excluded ☐ Excluded^
If not excluded, premiums include a Systemic Event surcharge of 17.5%

THE INSURER(S) NAMED HEREIN IS (ARE) NOT LICENSED BY THE STATE OF NEW YORK, NOT SUBJECT TO ITS SUPERVISION, AND IN THE EVENT OF THE INSOLVENCY OF THE INSURER(S), NOT PROTECTED BY THE NEW YORK STATE SECURITY FUNDS. THE POLICY MAY NOT BE SUBJECT TO ALL OF THE REGULATIONS OF THE DEPARTMENT OF FINANCIAL SERVICES PERTAINING TO POLICY FORMS.



CRUM & FORSTER*

A FAIRFAX COMPANY

	<u>Option1</u>	<u>Option2</u>
LIMITS OF LIABILITY:		
Aggregate Limit of Liability:	\$1,000,000	\$1,000,000
The above amount includes Claims Expenses unless amended by specific endorsement to this Policy.		
Breach Response Limit of Liability:	\$1,000,000	\$1,000,000
Sublimits of Liability:		
eCrime Loss Sublimit of Liability:	\$250,000	\$250,000
Dependent Business Sublimit of Liability:	\$1,000,000	\$1,000,000
Ransomware/Malware Sublimit of Liability:	\$1,000,000	\$1,000,000
Ransomware/Malware Coinsurance:	0%	0%
RETENTION: each incident or event	\$25,000	\$50,000
PREMIUM:	\$18,040	\$16,236
Policy premium is due within 30 days of the billing statement date		
CONTINUITY DATE:	07/01/2024	
Retroactive Date:	None (Full prior unknown acts)	
WAITING PERIOD:	12 hours	
THE FOLLOWING NOTICES AND ENDORSEMENTS, IF ANY, WILL BE ADDED TO THE BASIC POLICY:		
SC-POL-002 (01/22)	Cyber and Multimedia Liability Insurance Policy	
CS 07 001 01 21	Signature Page (Crum and Forster Specialty Insurance Company)	
IL P 001 01 04	U.S. Treasury Department's (OFAC) Advisory Notice to Policyholders	
SOP CF 07 16	Service of Process Clause (C&FS)	
SC-TRIA-001 (08/20)	Disclosure Pursuant to Terrorism Risk Insurance Act	
SC-END-001 (01/22)	Cap on Losses from Certified Acts of Terrorism	
SC-END-110 (07/22)	Choice of Law Endorsement – New York	
SC-END-094 (12/21)	Biometric Information Exclusion Endorsement	
SC-END-091 (07/23)	Breach Costs Aggregate Limit Endorsement	
SC-END-019 (10/22)	AmWINS Amendatory Endorsement	
<u>IMPORTANT: PLEASE READ CAREFULLY</u>		
<p>In order to complete the underwriting process, we require that you send us the additional information ("subjectivities") requested above. We are not required to bind coverage prior to our receipt, review and underwriting approval of the above information. If between the date of this Quotation and the Effective Date of the proposed policy there is a significant adverse change in the condition of this Applicant, or an occurrence of an event, or other circumstances which could substantially change the underwriting evaluation of the Applicant, then, at our option, this Quotation may be withdrawn by written notice thereof to the Applicant. We also reserve the right to modify the final terms and conditions upon review of the completed application and any other information requested by the underwriter herein. If such material change in the risk is discovered after binding, the insurance coverage will be void ab initio ("from the beginning").</p>		
<p>This Quotation is conditioned upon the Applicant's agreement to accept delivery of the policy, endorsements and any policyholder notices by electronic means. The Applicant's acceptance of this Quotation signifies their agreement to this.</p>		
<p>Taxes and Fees: Any applicable taxes, surcharges or countersignature fees, etc., are in addition to the above premium.</p>		