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Commercial Insurance Proposal For

IVY HILL PREPARATORY CHARTER SCHOOL

457 E. 57th Street
Brooklyn, NY 11203-6098

Presented By:

Brandon Cole

Arthur J Gallagher & Co

Insurance Brokers of CA, Inc.

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June 15, 2020



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Account Management Team

Arthur J Gallagher (AJG) is proud of its team of insurance professionals. We provide a full range of services and products to meet our clients' needs and equip our office with the latest technology, allowing us to service your needs quickly and efficiently. When you entrust your insurance to us, you receive the collective talents of an assigned team selected from our professional staff. We match your Nonprofit's service needs with the expertise of our team members. A short biography of the team we have selected for you is included below.

Melissa Cerny, CISR, Area President

Melissa Cerny is Area President for Gallagher Chapman. In this role, Melissa oversees client management, strategic management and operations for all services offered through Gallagher Chapman. Responsible for the program direction for all property and casualty clients, Melissa focuses on the continual improvement in the delivery of Gallagher Chapman services and new program development. Melissa has over thirteen years of experience in the insurance industry which includes expertise in agency operations, property and casualty and employee benefits. Her historical roles span all functional areas including management, marketing, sales, operations, human resources and customer service.

Brandon Cole, CPCU, CRM, ARM, CIC, RPLU, Vice President

Brandon started his insurance career in Underwriting after graduating from Arizona State University. He has over 10 years of experience working in the insurance industry with a background in Underwriting and Policy Development. His current key responsibilities with Arthur J. Gallagher are leading the Charter First and Scholastic First Insurance Programs as the National Program Manager. In addition, he is a Client Advocate and an expert at Program Development and Design. He has distinguished himself by obtaining various insurance designations as follows: Chartered Property Casualty Underwriter (CPCU); Certified Risk Manager (CRM); Certified Insurance Counsellor (CIC); Associate in Risk Management (ARM) and Registered Professional Liability Underwriter (RPLU). He has also been named by the Risk & Insurance Magazine a "Power Broker" in both 2014 and 2015. He has also been an Instructor for the Certified Insurance Service Representative Designation Program. Brandon lives in Southern California with his wife and three kids.

Maria Castellon, Senior Client Service Manager

Maria joined Gallagher Chapman in February 2012 as a Client Service Associate, bringing with her seven years of prior experience and knowledge in Property & Casualty Insurance. She has since been promoted to Client Advisor/ Marketing Specialist and handles all types of New Business within the Agency. Maria is a licensed Property & Casualty Insurance broker and is currently pursuing her Certified Insurance Service Representative (CISR) designation.

Sydney Lee, Client Service Associate

Sydney joined Gallagher in September of 2018 as a Client Service Associate on our Scholastic First Team. She came to us with several years of customer service experience as well as an insurance background. She is currently assisting our Client Service Managers with loss runs, renewals, submissions, notices of cancellations, endorsements, and summaries of insurance. Sydney is confident in providing exceptional customer service.



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Contact Information

Melissa Cerny		Brandon Cole	
Area President		Area Vice President	
Direct	818-539-8629	Direct	949-349-9871
Fax	818-539-8729	Mobile	720-951-5302
Email	Melissa_Cerny@AJG.com	Email	Brandon_Cole@AJG.com

Maria Castellon		Sydney Lee	
Senior Client Service Manager		Client Service Associate	
Direct	818-539-8622	Direct	818-539-8627
Fax	818-539-8722	Fax	818-539-8727
Email	Maria_Castellon@AJG.com	Email	Sydney_Lee@AJG.com

Payments

Payable to: Arthur J Gallagher & Co Insurance Brokers of California Inc.
 Address: P. O. Box 742886, Los Angeles, CA 90074-2886
 Main Phone: 818-539-2300

Certificate Requests

Please submit a completed Certificate Request form to our office. Forms are available online on the Client Portal page of our website: <https://Glendale.AJG.Com>



Reporting Claims

Line of Business	Carrier	How to Report Claims
Commercial Package, Auto, Educators Legal Liability and Excess Educators Legal Liability	Markel Insurance Company	Mail: P.O. Box 2009 Glen Allen, VA 23058-2009 Phone: 800-362-7535 Fax: 855-662-7535 Email: newclaims@markelcorp.com
Cyber Liability	Underwriters at Lloyd's of London	Call Baker Hostetler at the 24 Hour Security Breach Hotline: 1-855-217-5204 Solely in respect of the Baker Hostetler breach hotline the retention is reduced to \$0.
Commercial Crime	Hiscox Insurance Company, Inc.	Hiscox Claims 520 Madison Avenue, 32nd floor New York, NY 10022 Fax: 212-922-9652 Email: C-SuiteClaims@Hiscox.com
ERISA	Underwriters At Lloyd's London (100% Syndicate 3624)	Hiscox Claims 520 Madison Avenue, 32nd floor New York, NY 10022 Fax: 212-922-9652 Email: C-SuiteClaims@Hiscox.com
Pollution Liability	Lloyd's Syndicates 623/2623	Phone: 860-677-3700 Email: enviro.claims@beazley.com Mail: Beazley USA Services, Inc. 30 Batterson Park Road Farmington, CT 06032
Student Accident & Catastrophic Accident	United States Fire Insurance Company	BMI Benefits, LLC. P.O. Box 511 Matawan, NJ 07747 Phone: 800.445.3126 Fax: 732.583.9610 www.bobmccloskey.com Email: lisaC@bobmccloskey.com
Security Risk Management	Houston Casualty Company	Phone: 800-927-6306
Workers Compensation	The Hartford	Phone: 800-327-3636



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Please report all claims to the carriers immediately. If you would like our office to assist you with reporting claims, please note the important contact information:

Property, Automobile and General Liability Claims	All Other Claims
Email: wr-claims@ajg.com	Email: Tina Bodzsar@AJG.com
Phone: 866-971-9462	Phone: 818-539-1243
Fax: 866-971-9464	Fax: 818-539-1543
Mail: 45 River Park Place West, Suite 605 Fresno, CA 93720	Mail: 505 N. Brand Blvd Glendale, CA 91203

Each and every policy contains specific instructions on how, when and where to report claims to the insurer. *Please note that nothing in this notice amends any notice provisions contained in any of your insurance policies. In the event you do need assistance with reporting a claim, please feel free to immediately contact the service team at the telephone numbers above.*



Our goal is to provide every client with an exceptional insurance and risk management program delivered by a world-class organization. We're committed to partnering with our clients to ensure we consistently deliver the highest-quality service possible by taking into account your business' unique exposures and risk tolerance.



As a result, your service team delivers actionable advice as well as world-class service and support to help you develop a program that minimizes your total cost of risk, thereby improving your profitability.

We're excited to demonstrate how we're putting CORE360™ to work for you!



Changes and Developments

It is important that we be advised of any changes in your operations that may have a bearing on the validity and/or adequacy of your insurance. The types of changes that concern us include, but are not limited to, those listed below:

1. Changes in any operation such as expansion to other states or countries, new products.
2. Mergers and/or acquisition of new companies.
3. Any newly assumed contractual liabilities, granting of indemnities, or hold harmless agreements.
4. Circumstances that may require increased liability insurance limits.
5. Any changes in fire or theft protection, such as the alterations, disconnection, or installation of or disconnection of sprinkler systems, special extinguishing systems, burglar or fire alarms, guard service.
6. Changes to scheduled equipment such as contractors' equipment, electronic data processing, new production or manufacturing equipment.
7. Changes to property of yours that is in transit, unless we have previously arranged for the insurance.
8. Any changes in existing premises including vacancy, whether temporary or permanent, alterations, demolition, etc. Also, any new premises purchased, constructed, or occupied.

Exposure Changes

Exposure	Expiring Policy	Proposed Policy	% Increase / Decrease
Building (TI&B)	\$50,000	\$200,000	+300%
Contents	\$100,000	\$100,000	-
EDP Equipment	\$78,600	\$125,000	+59%
Business Income	\$500,000	\$500,000	-
Number of Students	120	180	+50%
Number of Faculty	15	22	+46%
Payroll (8868)	\$1,666,300	\$1,666,300	-
Payroll (9901)	\$0	\$0	-
Experience Modification	100%	100%	-

Major Changes to Expiring Program

Line of Business	Changes
Commercial Package	<ul style="list-style-type: none"> None
Commercial Automobile	<ul style="list-style-type: none"> None
Excess Liability \$10M	<ul style="list-style-type: none"> None
Educators Legal Liability	<ul style="list-style-type: none"> None
Cyber Liability	<ul style="list-style-type: none"> None
Crime	<ul style="list-style-type: none"> Insurance Carrier has changed from Underwriters at Lloyd's London (non-admitted) to Hiscox Insurance Company, Inc. (admitted) & excludes ERISA coverage
ERISA	<ul style="list-style-type: none"> Coverage on separate policy from Crime with Underwriters At Lloyds of London
Fiduciary Liability	<ul style="list-style-type: none"> Insurance carrier change from Hudson Insurance Company to Travelers Casualty & Surety Company of America Premium shown on proposal is indication only. We need a Fiduciary Liability Application completed in order to obtain formal quote.
Pollution Liability	<ul style="list-style-type: none"> None
Security Risk Management	<ul style="list-style-type: none"> None
Student Accident	<ul style="list-style-type: none"> None
Catastrophic Accident	<ul style="list-style-type: none"> None
Workers Compensation	<ul style="list-style-type: none"> None



Premium Summary / Comparison

Line of Business	Markel Insurance Company Expiring Premium	Markel Insurance Company Renewal Premium
Commercial Package	\$9,753.00	\$13,184.00
Commercial Automobile	\$927.00	\$927.00
Excess Liability	\$5,000.00	\$5,000.00
Educators Legal Liability	\$6,166.00	\$10,715.00
Sub-Total	\$21,846.00	\$29,826.00
Line of Business	Underwriters at Lloyd's of London Expiring Premium	Underwriters at Lloyd's of London Renewal Premium
Cyber Liability	\$880.00	\$1,056.00
NY SL Tax/Fee	\$33.18	\$39.81
Sub-Total	\$913.18	\$1,095.81
Line of Business	Underwriters at Lloyds of London Expiring Premium	Hiscox Insurance Company, Inc. Renewal Premium
Commercial Crime	\$888.00	\$1,096.00
N SL Tax/Fee	\$33.48	-
SFI Broker Fee	\$100.00	\$100.00
Sub-Total	\$1,021.48	\$1,196.00
Line of Business	Underwriters at Lloyd's of London (100% Syndicate 3624) Expiring Premium	Underwriters at Lloyd's of London (100% Syndicate 3624) Renewal Premium
ERISA	Included	\$50.00
o Surplus Lines Tax/Fee	Included	\$1.88
o RPG Fee	-	-
Sub-Total	Included	\$51.88
Line of Business	Hudson Insurance Company Expiring Premium	Travelers Casualty and Surety Company of America Renewal Premium
Fiduciary Liability	\$1,350.00	\$1,450.00
Policy Fee	\$100.00	-
Sub-Total	\$1,450.00	\$1,450.00*
Line of Business	Lloyd's Syndicates 623/2623 Expiring Premium	Lloyd's Syndicates 623/2623 Renewal Premium
Pollution Liability	\$500.00	\$500.00
CA SL Tax/Fee	\$16.00	\$16.25
RPG Fee	\$100.00	\$100.00
Sub-Total	\$616.00	\$616.25
Line of Business	Houston Casualty Company Expiring Premium	Houston Casualty Company Renewal Premium
Security Risk Management	\$1,000.00	\$1,150.00
CA SL Tax/Fee	\$34.00	\$37.38
RPG Fee	\$100.00	\$100.00
Sub-Total	\$1,132.00	\$1,287.38



Line of Business	United States Fire Insurance Company Expiring Premium	United States Fire Insurance Company Renewal Premium
Student Accident	\$288.00	\$432.00
Program Fee	\$16.00	\$19.00
Catastrophic Accident	\$500.00	\$500.00
Sub-Total	\$804	\$951.00
Line of Business	Hartford Insurance Company of the Midwest	Hartford Casualty Insurance Company
Workers Compensation	\$10,248.00	\$10,782.00
State Mandated Taxes/Fees	\$1,491.00	\$1,291.00
Sub-Total	\$11,739.00	\$12,073.00
Broker's Administration Fee	Waived	Waived
Total Annual Premium:	\$39,471.66	\$48,445.43
		23% Increase from Expiring

(*) Premium Indication Only

Important Items to Note:

- Crime - \$500 Minimum Earned Premium; \$100 Broker Fee fully earned at Inception
- Student Accident Base - \$250 Minimum Premium
- Student Accident Catastrophic - \$500 Minimum Premium
- Pollution Liability - \$500 Minimum Earned Premium; \$100 RPG Fee fully earned at inception
- Security Risk Management - \$1,150 Minimum Earned Premium; \$100 RPG Fee fully earned at Inception
- Workers Compensation - \$610 Policy Minimum Premium

Binding Requirements

In order to bind coverage the following items must be received by 6/26/2020:

1. Signed Client Authorization to Bind (page 14-16 of the proposal)
2. Premium payable to Arthur J Gallagher
3. **Fiduciary Liability:**
 - o Premium Indication Only – Need completed Fiduciary liability Application for carrier to issue formal quote
4. **Commercial Package:**
 - o Signed Statement of Values
 - o Completed & Signed Terrorism Insurance Coverage Form (please select or reject coverage)
5. **ERISA**
 - a. Signed & Dated NY Total Cost Form
6. **Pollution Liability & Security Risk Management**
 - o CA D1 Affidavit (acknowledging placement with non-admitted carrier)
7. **Cyber Liability:**
 - o Scholastic Cyber Insurance Application (*for limit being purchased*)
 - o Signed & Dated NY Total Cost Form (*for limit being purchased*)

This quotation is valid until 6/30/2020 after which time the carrier reserves the right to re-quote based upon the current rates and available coverage terms. Gallagher is responsible for the placement of the following lines of coverage: Commercial Package, Commercial Crime, Commercial Auto, Educators Legal Liability and Excess Educators Legal Liability, Fiduciary Liability, Cyber Liability, Pollution Liability, Student Accident, Catastrophic Accident and Security Risk Management. It is understood that any other type of exposure/coverage is either self-insured or placed by another brokerage firm other than Gallagher. If you need help in placing other lines of coverage or covering other types of exposures, please contact your Gallagher representative.

Client Authorization to Bind

Named Insured: Ivy Hill Preparatory Charter School

Accept	Reject	Option
<input type="checkbox"/>	<input type="checkbox"/>	Commercial Package - Markel Insurance Company - \$13,184 including TRIA
<input type="checkbox"/>	<input type="checkbox"/>	Commercial Auto - Markel Insurance Company - \$927 including TRIA
<input type="checkbox"/>	<input type="checkbox"/>	Excess Liability - Markel Insurance Company - \$5,000
<input type="checkbox"/>	<input type="checkbox"/>	Educators Legal Liability - Markel Insurance Company - \$10,715 including TRIA
<input type="checkbox"/>	<input type="checkbox"/>	Cyber Liability - Underwriters at Lloyd's of London Option 1: Limit \$1,000,000 - \$1,095.81 including taxes/fees Option 2: Limit \$2,000,000 - \$1,396.74 including taxes/fees
<input type="checkbox"/>	<input type="checkbox"/>	Fiduciary Liability - Travelers Casualty and Surety Company of America - \$1,450*
<input type="checkbox"/>	<input type="checkbox"/>	Commercial Crime - Hiscox Insurance Company, Inc. - \$1,196 including fees
<input type="checkbox"/>	<input type="checkbox"/>	ERISA – Underwriters at Lloyd's London (100% Syndicate 3624 - \$51.88 including taxes/fees
<input type="checkbox"/>	<input type="checkbox"/>	Pollution Liability - Lloyd's Syndicates 623/2623 - \$616.25 including taxes/fees
<input type="checkbox"/>	<input type="checkbox"/>	Security Risk Management - Houston Casualty Company - \$1,287.50 including taxes/fees
<input type="checkbox"/>	<input type="checkbox"/>	Student Accident - United States Fire Insurance Company - \$451 including fees
<input type="checkbox"/>	<input type="checkbox"/>	Catastrophic Accident - United States Fire Insurance Company - \$500
<input type="checkbox"/>	<input type="checkbox"/>	Workers Compensation – Property & Casualty Insurance Co of Hartford - \$12,073 including taxes/fees
<input type="checkbox"/>	<input type="checkbox"/>	Coverage Considerations - Please indicate if you would like us to provide quotes or additional information on any of the coverages mentioned in the Coverage Considerations section of our proposal.

Please indicate which coverages you would like bound by marking the "Accept" box(es) above.

() Premium Indication only*

The above coverage may not necessarily represent the entirety of available insurance products. If you are interested in pursuing additional coverages other than those addressed in the coverage considerations included in this proposal, please list below:

Payment Options

Premiums are due and payable as billed and may be financed, subject to acceptance by an approved finance company. Following acceptance, completion (and signature) of a premium finance agreement with the specified down payment is required. Note: Unless prohibited by law, Gallagher may earn compensation for this optional value-added service.

Line of Business	Billing Type	Down Payment Amount	Check Payable to	# of Installments	Installment Amount
Commercial Package <input checked="" type="checkbox"/> Annual Premium <input type="checkbox"/> Monthly Installments	Agency Bill	Full Pay	Arthur J. Gallagher	N/A	N/A
Commercial Auto <input checked="" type="checkbox"/> Annual Premium <input type="checkbox"/> Monthly Installments	Agency Bill	Full Pay	Arthur J. Gallagher	N/A	N/A
Excess Liability <input checked="" type="checkbox"/> Annual Premium <input type="checkbox"/> Monthly Installments	Agency Bill	Full Pay	Arthur J. Gallagher	N/A	N/A
Educators Legal Liability <input checked="" type="checkbox"/> Annual Premium <input type="checkbox"/> Monthly Installments	Agency Bill	Full Pay	Arthur J. Gallagher	N/A	N/A
Cyber Liability <input checked="" type="checkbox"/> Annual Premium <input type="checkbox"/> Monthly Installments	Agency Bill	Full Pay	Arthur J. Gallagher	N/A	N/A
Fiduciary Liability <input checked="" type="checkbox"/> Annual Premium <input type="checkbox"/> Monthly Installments	Agency Bill	Full Pay	Arthur J. Gallagher	N/A	N/A
Crime & ERISA <input checked="" type="checkbox"/> Annual Premium <input type="checkbox"/> Monthly Installments	Agency Bill	Full Pay	Arthur J. Gallagher	N/A	N/A
Pollution Liability <input checked="" type="checkbox"/> Annual Premium <input type="checkbox"/> Monthly Installments	Agency Bill	Full Pay	Arthur J. Gallagher	N/A	N/A
Security Risk Management <input checked="" type="checkbox"/> Annual Premium <input type="checkbox"/> Monthly Installments	Agency Bill	Full Pay	Arthur J. Gallagher	N/A	N/A
Student Accident & Catastrophic Accident <input checked="" type="checkbox"/> Annual Premium <input type="checkbox"/> Monthly Installments	Agency Bill	Full Pay	Arthur J. Gallagher	N/A	N/A
Workers Compensation <input checked="" type="checkbox"/> Annual Premium <input type="checkbox"/> Monthly Installments	Agency Bill	Full Pay	Arthur J. Gallagher	N/A	N/A

Agency Bill = Payments are billed by & due to AJG

Direct Bill = Insurance Carrier will bill you directly

Client Authorization to Bind (Continued)

Named Insured: Ivy Hill Preparatory Charter School

Exposures & Values: We confirm the payroll, values, schedules, and other data contained in the proposal, and submitted to the underwriters, are compiled from our records and we acknowledge it is our responsibility to see that they are maintained accurately. If no updates were provided to Gallagher, the values, exposures and operations used were based on the expiring policies.

Gallagher's liability to Client arising from any acts or omissions of Gallagher shall not exceed \$20 million in the aggregate. Gallagher shall only be liable for actual damages incurred by Client, and shall not be liable for any indirect, consequential or punitive damages or attorneys' fees. No claim or cause of action, regardless of form (tort, contract, statutory, or otherwise), arising out of, relating to or in any way connected with this Agreement or any Services provided hereunder may be brought by either party any later than two (2) years after the accrual of such claim or cause of action.

Gallagher has established security controls to protect Client confidential information from unauthorized use or disclosure. For additional information, please review Gallagher's Privacy Policy located at <https://www.ajg.com/privacy-policy/>.

I have read, understand and agree that the above-information is correct and has been disclosed to us prior to authorizing Gallagher to bind coverage and/or provide services to us.

Signature

Date

Title

Marketing Summary

The following markets were approached on your behalf in order to ensure the most competitive quote was secured for your agency's insurance proposal.

Line of Business	Company	Response (Including any Taxes & Fees)
Commercial Package	Markel Insurance Company	Recommended Quote - \$13,184
Commercial Auto	Markel Insurance Company	Recommended Quote - \$927
Excess Liability	Markel Insurance Company	Recommended Quote - \$5,000
Educators Legal Liability	Markel Insurance Company	Recommended Quote - \$10,715
Commercial Package, Auto, Educators Legal Liability, Excess Liability	American International Group (Glatfelters)	Unable to write in NY 5 Boroughs
General Liability, Educators Legal Liability, Excess Liability	United Educators Insurance	\$100K Minimum Premium (<i>not including prop/auto</i>) \$50K ELL Retention
Excess Liability	Philadelphia Indemnity Insurance Company	Declined - Unable to Provide \$10M Excess Liability Limit
	Hanover Insurance Company	Declined - Unable to Compete – Maximum Excess Liability Limit is \$5M, Minimum ELL retention is \$15K
	American Alternative Insurance Corporation	Declined - Unable to provide \$10M Excess Liability Limit
Fiduciary Liability	Travelers Casualty and Surety Company of America	Pending
Fiduciary Liability	Hudson Insurance Company	Indication - \$1,450
Commercial Crime	Hiscox Insurance Company, Inc.	Recommended Quote - \$1,196
ERISA	Underwriters at Lloyd's London (100% Syndicate 3624)	Recommended Quote - \$51.88
Pollution Liability	Lloyd's Syndicates 623/2623 *	Recommended Quote - \$616.25
Security Risk Management	Houston Casualty Company *	Recommended Quote - \$1,287.38
Student Accident	United States Fire Insurance Company	Recommended Quote - \$451
Catastrophic Accident	United States Fire Insurance Company	Recommended Quote - \$500
Workers Compensation	Hartford Casualty Insurance Co	Recommended Quote - \$12,073
Workers Compensation	Guard Insurance Company/BHHC	Quoted - \$13,010
Workers Compensation	Employers Insurance Company	Premium Indication - \$10,400 + NY Taxes/Fees
Workers Compensation	Old Republic Insurance Co/BITCO	Declined – Does not write in NY
Workers Compensation	Zenith Insurance Company	Declined – Does not write Stand-Alone Coverage in NY

*Non-Admitted Carrier



Named Insured Schedule

Line of Business	Named Insured
All Lines of Coverages included in this Proposal	<ul style="list-style-type: none">Ivy Hill Preparatory Charter School

Note:

Any entity not named in this proposal, may not be an insured entity.
This may include affiliates, subsidiaries, LLC's, partnerships and joint ventures.

Location Schedule

Loc.#	Bldg.#	Location Address
1	1	457 E. 57 th Street • Brooklyn, NY 11203-6098



Commercial Package - Property

Issuing Company: Markel Insurance Company
Proposed Policy Term: 7/1/2020 to 7/1/2021

Coverage Detail

Description		Amount	Valuation	Coins %	Cause of Loss	Ded
Loc.# 1	Bldg.# 1	457 E. 57th Street • Brooklyn, NY 11203-6098				
Tenants Improvements & Betterments		\$200,000	Replacement Cost/Agreed Value		Special (Including theft)	\$1,000
Contents		\$100,000	Replacement Cost/Agreed Value		Special (Including theft)	\$1,000
Business Income/Extra Expense		\$500,000			Special (Including theft)	24 hours
Ordinance or Law Coverage A		110%				
Ordinance or Law Coverage B		\$250,000				
Ordinance or Law Coverage C		\$250,000				
Flood (*)		\$300,000				\$25,000
Earthquake		\$300,000				5%
Pollutant Cleanup and Removal		\$100,000				\$1,000

(*) Flood coverage excluded from Federal Zones A, AE, AH, AO, A1-A30, AR, A99, V, VE or V1-V30
Terrorism coverage for newly-acquired locations during the policy period must be separately underwritten

Coinsurance Penalty Example

Insurance Carried ÷ Insurance Required x Loss – Deductible = Settlement

Example of Coinsurance formula applied to a hypothetical loss situation:

Property Value	=	\$1,000,000
Coinsurance Amount	=	80%
Deductible	=	\$500
Insurance Required	=	\$800,000 (80% of \$1,000,000)
Insurance Carried	=	\$400,000
Loss Incurred	=	\$200,000

Settlement determined by applying the coinsurance formula:

$$\frac{\$400,000 \text{ (Insurance carried)}}{\$800,000 \text{ (Insurance required)}} \times \$200,000 \text{ (Loss)} - \$500 \text{ (Deductible)} = \$99,500 \text{ Settlement}$$

Note: If the property in the above example is insured for the full insurance required (\$800,000), the insured will recover \$199,500. In the above example, the insured will suffer a \$100,000 penalty for not being insured to the proper limit.



Additional Coverages include, but are not limited to:

- Property Broadening Endorsement: New York Honor Roll Elite Commercial Property Enhancement - \$1,000 Deductible - MCP 1240-NY 10 16

Forms and Endorsements:

- Building & Personal Property Coverage Form - CP 00 10 10 12
- Business Income (And Extra Expense) Coverage Form - CP 00 30 10 12
- Commercial Property Conditions - CP 00 90 07 88
- New York Changes - CP 01 33 05 18
- New York Changes - Fungus, Wet Rot and Dry Rot - CP 01 64 09 17
- Ordinance or Law Coverage - CP 04 05 09 17
- Causes of Loss-Special Form - CP 10 30 09 17
- Earthquake & Volcanic Eruption Endorsement Sub-Limit Form - CP 10 45 10 12
- Loss Payable Provisions - CP 12 18 10 12
- Business Income Changes-Educational Institutions - CP 15 25 10 12
- Common Policy Conditions - IL 00 17 11 98
- New York Changes-Fraud - IL 01 83 08 08
- New York Changes-Calculation of Premium - IL 01 85 08 08
- New York Changes-Cancellation & Nonrenewal - IL 02 68 01 14
- Cap On Losses From Certified Acts Of Terrorism Endorsement - IL 09 52 01 15
- Policy Changes - IL 12 01 11 85
- New York Business Income Changes - Commu - MCP 1218-NY 04 13
- New York Honor Roll Elite Commercial Property Enhancement - MCP 1240-NY 10 16
- Confirmation Of Certified Acts Of Terrorism Coverage? Terrorism Risk Insurance Act - MCP-TERR-1 01 15
- Commercial Lines Policy Declarations Page - MD 001 07 02
- Commercial Property Policy Declarations - MDCP 2001 10 16
- Data Compromise Coverage Supplemental Declarations - MDCP 2002 10 16
- Trade Or Economic Sanctions - MIL 1214 09 17
- Markel Insurance Company Policy Jacket - MJIL 1000 06 10

Exclusions include, but are not limited to:

- Earthquake
- Earthquake Sprinkler Leakage
- Flood
- Civil Authority
- Ingress/Egress
- Leasehold Interest
- Water
- Governmental Action
- Utility Services
- War and Military Action
- Delay, loss of use or loss of market
- Wear and Tear
- Rust, Corrosion, Fungus, Decay, Deterioration, Hidden or Latent Defect
- Smog
- Nesting or Infestation
- Voluntary parting with any property
- Collapse
- Pollutants
- New York-Exclusion of Loss Due to Virus or Bacteria - CP 01 78 08 08
- Exclusion of Certain Computer-Related Losses - IL 09 35 07 02
- Special School Property Protection Flood Coverage Excluding Zones A and V - MCP 1241 10 16
- Fungus, Wet Rot, Dry Rot and Bacteria Exclusion - MCP 1300 04 13



Commercial Package - Electronic Data Processing / Inland Marine

Issuing Company: Markel Insurance Company
Proposed Policy Period: 7/1/2020 to 7/1/2021

Coverage Detail

Subject		Amount	Deductible
Loc#: 0	Bldg #: 0	Blanket	
EDP Equipment (Includes Software)		\$125,000	\$500

Terrorism coverage for newly-acquired locations during the policy period must be separately underwritten.

Covered Perils

- Electronic Equipment and Data, Program & Media
- Risks of Direct Physical “Loss” to Covered Property except those causes of “loss” listed in the Exclusions

Forms and Endorsements:

- Commercial Inland Marine Conditions - CM 00 01 09 04
- Computer Systems Coverage Form - IH 00 75 07 99
- Personal Portable Computers - IH 75 02 07 99
- New York Changes-Cancellation & Nonrenewal - IL 02 68 01 14
- Cap On Losses From Certified Acts Of Terrorism Endorsement - IL 09 52 01 15
- Commercial Inland Marine Coverage Part Declarations - MD 012 09 00
- Computer Systems Declarations - MD 031 11 99
- Trade Or Economic Sanctions - MIL 1214 09 17
- Confirmation Of Certified Acts Of Terrorism Coverage – Terrorism Risk Insurance Act - MIM-TERR-1 01 15
- Markel Insurance Company Policy Jacket - MJIL 1000 06 10

Exclusions include, but are not limited to:

- Governmental Action
- Nuclear Hazard
- War and Military Action
- Earth Movement
- Water Damage
- Any change in or interruption of power supply to telecommunication service
- Wear and Tear
- Extra Expense caused by mechanical breakdown of equipment not covered
- Delay, loss of market or loss of income
- Mold Exclusion - MIM 115 05 10
- Water Exclusion - MIM 123 05 10



Commercial Package - Equipment Breakdown

Issuing Company: Markel Insurance Company
Proposed Policy Period: 7/1/2020 to 7/1/2021

Coverage Detail

Subject		Amount	Co-Insurance	Valuation	Deductible
Loc.#: 0	Bldg.#: 0	Blanket Limits			
Equipment Breakdown		\$300,000			\$1,000
Loss of Income Extra Expense		\$500,000			
Spoilage		\$500,000			
Data Restoration		\$100,000			
Demolition		\$2,000,000			
Expediting Expense		\$500,000			
Hazardous Substance		\$250,000			
Newly Acquired Locations		\$1,000,000			
Computer Equipment		Included			
Increased Cost of Construction		\$2,000,000			
Service Interruption		\$250,000			
CFC Refrigerants		Included			

Forms and Endorsements:

- Equipment Breakdown Coverage - MCP 1242 10 16
- New York Changes - Equipment Breakdown - MCP 1428-NY 10 16
- Equipment Breakdown Coverage Form - MDCP 2005 10 16
- Trade Or Economic Sanctions - MIL 1214 09 17

Exclusions include, but are not limited to:

- Governmental Action
- Nuclear Hazard
- War and Military Action
- Earth Movement
- Water Damage
- Any change in or interruption of power supply to telecommunication service
- Wear and Tear
- Extra Expense caused by mechanical breakdown of equipment not covered
- Delay, loss of market or loss of income



Commercial Package - General Liability

Issuing Company: Markel Insurance Company
 Proposed Policy Period: 7/1/2020 to 7/1/2021
 Policy Form: Occurrence

Coverage Detail

Limits of Liability	Description
\$1,000,000	Each Occurrence
\$3,000,000	General Aggregate
\$3,000,000	Products-Completed Operations Aggregate
\$1,000,000	Personal & Advertising Injury Aggregate
\$1,000,000	Damages to Premises Rented to You
\$15,000	Medical Expense
\$1,000,000	Employee Benefits Liability – Claims Made
\$3,000,000	Aggregate
\$1,000	Deductible - Per Employee
07/01/2019	Retroactive Date
\$1,000,000	Sexual Misconduct Coverage
\$3,000,000	Sexual Misconduct Aggregate
\$1,000,000	Law Enforcement Liability (Claims-made)
\$1,000,000	Law Enforcement Liability Aggregate
\$100,000	Law Enforcement Liability Coverage with Optional Non-Monetary Relief Coverage
\$10,000	Deductible
07/01/2019	Law Enforcement Liability Retro Date
\$300,000	Innocent Party Defense Coverage
\$300,000	Innocent Party Defense Aggregate
\$1,000,000	Counseling Professional Liability Coverage
\$3,000,000	Counseling Professional Liability Aggregate

Terrorism coverage for newly-acquired locations during the policy period must be separately underwritten.

Additional Coverages include, but are not limited to:

- General Liability Enhancement Endorsement(s): New York Honor Roll Elite Commercial General Liability Enhancement - MGL 1275-NY 10 16



Forms and Endorsements:

- Commercial General Liability Coverage Form - CG 00 01 04 13
- New York Changes-Premium Audit - CG 01 04 12 04
- New York Changes-Commercial General Liability Coverage Form - CG 01 63 07 11
- Earlier Notice of Cancellation Provided by Us - CG 02 24 10 93
- Employee Benefits Liability Coverage - CG 04 35 12 07
- Cap on Losses from Certified Acts of Terrorism - CG 21 70 01 15
- Amendment of Coverage Territory-Worldwide Coverage - CG 24 22 04 13
- New York Changes-Transfer of Duties - CG 26 21 10 91
- Common Policy Conditions - IL 00 17 11 98
- New York Changes-Calculation of Premium - IL 01 85 08 08
- New York Changes-Cancellation & Nonrenewal - IL 02 68 01 14
- Commercial Lines Policy Declarations Page - MD 001 07 02
- Commercial General Liability Policy Declarations - MDGL 1501 10 16
- New York Claims-Made Schedule Supplemental Extended Reporting Period Premium Determination - MDIL 0001-NY 10 16
- Primary and Noncontributory Insurance For A Specified Project - MGL 1226 01 13
- New York Counseling Professional Liability Coverage - MGL 1248-NY 10 16
- New York Law Enforcement Liability Coverage With Optional Non-Monetary Relief Coverage - MGL 1273-NY 10 16
- New York Honor Roll Elite Commercial General Liability Enhancement - MGL 1275-NY 10 16
- Electronic Chatrooms or Bulletin Boards - MGL 1278 10 16
- Trampoline Limitation - MGL 1280 10 16
- New York Sexual Misconduct Coverage and Innocent Insured Defense Only Coverage - MGL 1281-NY 10 16
- Limited Coverage For Designated Unmanned Aircraft - MGL 1288 04 17
- Confirmation Of Certified Acts Of Terrorism Coverage - Terrorism Risk Insurance Act - MGL-TERR-1 01 15
- Two or More Coverage Forms or Policies Issued By Us - MIL 1207 05 15
- Trade Or Economic Sanctions - MIL 1214 09 17
- Markel Insurance Company Policy Jacket - MJIL 1000 06 10
- New York Claims Made Notice - MPGL 1026-NY 10 16



Exclusions include, but are not limited to:

- Recording and Distribution of Material or Information in Violation of Law Exclusion - CG 00 68 05 09
- Exclusion-Access or Disclosure of Confidential or Personal Information & Data- Related Liability- With Limited Bodily Injury Exception - CG 21 06 05 14
- Communicable Disease Exclusion - CG 21 32 05 09
- Silica or Silica-Related Dust Exclusion - CG 21 96 03 05
- Nuclear Energy Liability Exclusion - IL 00 23 07 02
- Exclusion - Students Medical Payments - MGL 1310 10 16
- Limited Exclusion - Firearms Or Conducted Energy Devices With Specified Exceptions - MGL 1321 02 19
- Amendment Of Expected Or Intended Injury Exclusion - Restraint Or Removal Of Students - MGL 1322 10 16
- Limited Exclusion - Professional Services with Exceptions for Student Interns and Certain Medical Services - MGL 1324 10 16
- Exclusion - Fungi or Bacteria - MIL 1301 03 14
- Exclusion - Asbestos - MIL 1303 05 15
- Exclusion - Lead - MIL 1304 05 15
- Exclusion - Punitive Damages - MIL 1305 05 15



Commercial Automobile

Issuing Company: Markel Insurance Company
 Proposed Policy Period: 7/1/2020 to 7/1/2021
 Policy Form: Occurrence

Coverage Detail

Limits	Symbol(s)	Description
\$1,000,000	9	Non-Owned Auto Liability
\$1,000,000	8	Hired & Borrowed Auto Liability
\$50,000		Hired Auto Liability - Comprehensive
\$50,000		Hired Auto Liability - Collision
\$500	8	Hired Auto Physical Damage – Other Than Collision (OTC) Deductible Losses are valued at the least of the cost to: Repair the damaged vehicle; Replace the vehicle with like type or kind; Actual cash value at the time of loss, less deductible
\$500	8	Hired Auto Physical Damage – Collision Deductible Losses are valued at the least of the cost to: Repair the damaged vehicle; Replace the vehicle with like type or kind; Actual cash value at the time of loss, less deductible
Included	-	Employees as Additional Insured
Included	-	Social Service Agencies - Volunteers as Insureds

You must purchase Admitted Coverage at the Mexican Border before taking your vehicles into Mexico. No coverage is provided by this policy.

Forms and Endorsements:

- Business Auto Coverage Form - CA 00 01 10 13
- New York Changes in Business Auto, Business Auto Physical Damage, Motor Carrier & Truckers Coverage Forms - CA 01 12 12 15
- New York Changes - Cancellation - CA 02 25 01 14
- Employee Hired Autos - CA 20 54 10 13
- Fellow Employee Coverage - CA 20 55 10 13
- Employees as Insureds - CA 99 33 10 13
- Social Service Agencies - Volunteers as Insureds - CA 99 34 10 13
- Common Policy Conditions - IL 00 17 11 98
- New York Changes - Fraud - IL 01 83 08 08
- New York Changes - Calculation of Premium - IL 01 85 08 08
- Amended Exception - Who is an Insured - MCA 1229 10 16
- New York Amended Exception - Who is an Insured - MCA 1229-NY 10 16
- Commercial Auto Policy Declarations - MDCA 1008 10 16
- New York Commercial Auto Policy Declarations - MDCA 1008-NY 10 16
- Markel Insurance Company Policy Jacket - MJIL 1000 06 10



Exclusions include, but are not limited to:

- Racing
- Asbestos
- Nuclear Energy Liability
- Professional Services
- Expected or Intended Injury
- Workers Compensation
- Employee Indemnification and Employer's Liability
- Fellow Employee
- Care, Custody or Control
- Handling of Property
- Movement of Property by Mechanical Device
- Operations or Complete Operations
- Punitive Damages
- Pollution
- War
- Exclusion - Abuse or Molestation - MCA 1301 05 15



Wright Specialty/Markel MVR Guidelines

		Number of At-Fault Accidents			
		0	1	2	3
Number of minor violations	0	Clear	Acceptable	Borderline	Unacceptable
	1	Acceptable	Borderline	Unacceptable	Unacceptable
	2	Borderline	Unacceptable	Unacceptable	Unacceptable
	3 or more	Unacceptable	Unacceptable	Unacceptable	Unacceptable
	Any major violations	Unacceptable	Unacceptable	Unacceptable	Unacceptable

Major Violations (within last five years of violation date) include:

- A violation in connection with a fatal accident.
- Any felony involving the use of an automobile.
- Driving under a suspended, revoked, or expired license
- Driving under the influence of drugs or alcohol and/or the refusal to take a blood/breath test.
- Fleeing or attempting to elude the police; failure to stop and report an accident in which the driver was involved.
- Negligent vehicular homicide.
- Operating a motor vehicle without the owner’s permission.
- Permitting an unlicensed person to drive.
- Reckless, negligent, careless driving or racing.
- Speeding in excess of 20 mph over the speed limit.

The following are not considered as a violation:

- Defective equipment (lights, brakes, etc.)
- Oversize or over weight
- Seatbelt violations

Borderline Drivers

Borderline drivers include “borderline” situations as noted in the above chart and the following:

- Past suspensions with reinstatements shown on the MVR.
- Drivers 18-21 with one or more violations/accidents within the last three years.

***Compliance with the guidelines above is a condition of the Commercial Automobile Policy if bound.**

Commercial Auto (Continued)

Commercial Auto policies utilize a set of coverage symbols to stipulate a category of covered autos. One or more symbols are assigned to each coverage purchased indicating which autos that coverage applies to. Please refer to your policy and make certain that you read and understand the various auto symbols and associated descriptions. Specific symbols may apply to either a particular kind of vehicle or the vehicle's ownership status. The symbols could also differ depending upon whether the coverage is for liability or physical damage. Also, in certain circumstances, an insurance company may agree to provide coverage for an auto scenario that is not described in the auto symbols. When this occurs, a unique symbol and related description is used. **If you have any questions regarding the auto symbols or associated descriptions contained in your policy, please contact us.**

Symbol	Description Of Covered Auto Designation Symbols	
1	Any "Auto"	
2	Owned "Autos" Only	Only those "autos" you own (and for Liability Coverage any "trailers" you don't own while attached to power units you own). This includes those "autos" you acquire ownership of after the policy begins.
3	Owned Private Passenger "Autos" Only	Only the private passenger "autos" you own. This includes those private passenger "autos" you acquire ownership of after the policy begins.
4	Owned "Autos" Other Than Private Passenger "Autos" Only	Only those "autos" you own that are not of the private passenger type (and for Liability Coverage any "trailers" you don't own while attached to power units you own). This includes those "autos" not of the private passenger type you acquire ownership of after the policy begins.
5	Owned "Autos" Subject To No-fault	Only those "autos" you own that are required to have no-fault benefits in the state where they are licensed or principally garaged. This includes those "autos" you acquire ownership of after the policy begins provided they are required to have no-fault benefits in the state where they are licensed or principally garaged.
6	Owned "Autos" Subject To A Compulsory Uninsured Motorists Law	Only those "autos" you own that because of the law in the state where they are licensed or principally garaged are required to have and cannot reject Uninsured Motorists Coverage. This includes those "autos" you acquire ownership of after the policy begins provided they are subject to the same state uninsured motorists requirement.
7	Specifically Described "Autos"	Only those "autos" described in Item Three of the Declarations for which a premium charge is shown (and for Liability Coverage any "trailers" you don't own while attached to any power unit described in Item Three).
8	Hired "Autos" Only	Only those "autos" you lease, hire, rent or borrow. This does not include any "auto" you lease, hire, rent or borrow from any of your "employees", partners (if you are a partnership), members (if you are a limited liability company) or members of their households.
9	Non-owned "Autos" Only	Only those "autos" you do not own, lease, hire, rent or borrow that are used in connection with your business. This includes "autos" owned by your "employees", partners (if you are a partnership), members (if you are a limited liability company) or members of their households but only while used in your business or your personal affairs.



Excess Liability

Issuing Company: Markel Insurance Company
 Proposed Policy Term: 7/1/2020 to 7/1/2021
 Policy Form: Follow Form

Coverage Detail

Limits	Description
\$10,000,000	Educators Excess Liability
\$10,000,000	Educators Excess Liability Aggregate

Underlying Coverages

Policy Type	Carrier	Policy Period	Limits
General Liability	Markel Insurance Company	7/1/2020 - 7/1/2021	\$1,000,000
Automobile Liability	Markel Insurance Company	7/1/2020 - 7/1/2021	\$1,000,000
Employee Benefits Liability	Markel Insurance Company	7/1/2020 - 7/1/2021	\$1,000,000
Sexual Misconduct	Markel Insurance Company	7/1/2020 - 7/1/2021	\$1,000,000
Law Enforcement Liability	Markel Insurance Company	7/1/2020 - 7/1/2021	\$1,000,000
Counseling Professional Liab	Markel Insurance Company	7/1/2020 - 7/1/2021	\$1,000,000
Employers Liability	Hartford Fire Insurance Company	7/1/2020 - 7/1/2021	\$1,000,000

All underlying policies shown above must be kept in full force during the term of this policy.

Forms and Endorsements:

- Forms Schedule - MDIL 1001 08 11
- Commercial Excess Liability Policy Declarations - MDUB 1002 10 16
- Schedule of Underlying Insurance - MDUB 1003 10 16
- Trade Or Economic Sanctions - MIL 1214 09 17
- Markel Insurance Company Policy Jacket - MJIL 1000 06 10
- Privacy Notice - MPIL 1007 01 20
- U.S. Treasury Department's Office of Foreign Assets Control ("OFAC") Advisory Notice To Policyholders - MPIL 1083 04 15
- Commercial Excess Liability Policy - MUB 0002 10 16
- Cap on Losses from Certified Acts of Terrorism - MUB 1214 10 16
- Claims-Made Insurance Following Form - MUB 1220-EBL 10 16
- Claims-Made Insurance Following Form - MUB 1220-ELL 10 16
- Claims-Made Insurance Following Form - MUB 1220-LEL 10 16
- Exclusion - Nuclear Energy - MUB 1367 10 16
- Exclusion - Auto No-Fault or Similar Laws - MUB 1376 10 16
- Exclusion - Punitive Damages - MUB 1379 10 16
- Exclusion - Unmanned Aircraft - MUB 1383 10 16
- Exclusion - Crisis Management And Public Relations - MUB 1391 02 19
- New York Amendatory - MUB 1402-NY 10 16
- Confirmation Of Certified Acts Of Terrorism Coverage - Terrorism Risk Insurance Act - MUB-TERR-1 01 15



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Exclusions include, but are not limited to:

- Damage to Premises Rented to You
- Employment Related Practices
- Uninsured / Underinsured Motorist
- Nuclear, Chemical and Biological Hazard
- Fungi, Mold or Spores
- Silica or Related Dust
- Insolvency Provision
- Drop Down Provision
- Breach of Contract
- Asbestos
- Pollution



Educators Legal Liability (E&O, D&O, EPL)

Issuing Company: Markel Insurance Company
 Proposed Policy Period: 7/1/2020 to 7/1/2021
 Policy Form: Claims Made

Coverage Detail

Coverage Part	Limit of Liability	Deductible	Retroactive Date	Prior & Pending Date
Educators Legal Liability	\$10,000,000	\$10,000	10/23/2018	
Educators Legal Liability Aggregate	\$10,000,000			
Non - Monetary Defense	\$100,000	\$10,000	10/23/2018	
Non - Monetary Defense Aggregate	\$100,000			
Crisis Management	\$25,000			
Crisis Management Aggregate	\$25,000			
FLSA Defense Sublimit of Liability	\$100,000	\$10,000		

Terrorism coverage for newly-acquired locations during the policy period must be separately underwritten.

Policy Provisions

- Policy is written on an Claims Made basis.
- Definition of Claim/Wrongful Act: Refer to attached Policy Form
- Claim Reporting Provisions: Refer to attached Policy Form
- Extended Reporting Period (ERP) Options Available: Refer to attached Policy Form
- Retroactive Date of 10/23/2018 applies
- Defense Costs would be provided outside the limit of liability.
- The insurance company would have the duty to defend covered claims.
- Punitive/Exemplary Damages are not covered.
- Most Favorable Venue is not covered.

Forms and Endorsements:

- New York Claims-Made Schedule Supplemental Extended Reporting Period Premium Determination - MDIL 0001-NY 10 16
- New York Claims-Made Schedule Supplemental Extended Reporting Period Premium Determination - MDIL 1006-NY 10 16
- New York Educators Legal Liability Policy Declarations - MDPL 1000-NY 10 16
- Trade Or Economic Sanctions - MIL 1214 09 17
- Markel Insurance Company Policy Jacket - MJIL 1000 06 10
- Privacy Notice - MPIL 1007 01 20
- U.S. Treasury Department's Office of Foreign Assets Control ("OFAC") Advisory Notice To Policyholders - MPIL 1083 04 15
- New York Educators Legal Liability Coverage Form - MPL 0001-NY 01 19
- New York Deductible Applicable To Defense Expense - MPL 1204-NY 10 16
- New York Amendment Of Notice Requirement For Public School Districts - MPL 1206-NY 10 16
- New York Cap On Losses From Certified Acts Of Terrorism - MPL 1215-NY 10 16
- New York Confirmation Of Certified Acts Of Terrorism Coverage - Terrorism Risk Insurance Act - MPL-TERR-1-NY 01 15
- New York Claims-Made Notice - MPPL 1009-NY 01 19

Exclusions include, but are not limited to:

- Breach of Contract claims will be **EXCLUDED**, except for employee related contracts. For breach of contract claims not related to employee matters, the company will neither pay to defend the claim nor pay any judgment
- New York Amendment Of Law Enforcement Exclusion - MPL 1308-NY 01 19



Cyber Liability

Issuing Company: Underwriters at Lloyd's London
 Proposed Policy Term: 7/1/2020 to 7/1/2021
 Policy Form: Claims Made

Coverage Detail

Coverage Part	Limit - Aggregate including Claims Expenses	Retention - Each Claim Including Claims Expenses	Retroactive Date
Aggregate Limit of Liability			
(Aggregate for Each and Every Claim or Event including Claims Expenses)	\$1,000,000		Full Prior Acts
Sublimit of Liability			
A. Privacy Liability (including Employee Privacy)	\$1,000,000	\$2,500	
B. Privacy Regulatory Claims Coverage	\$1,000,000	\$2,500	
C. Security Breach Response Coverage	\$1,000,000	\$2,500	
D. Security Liability	\$1,000,000	\$2,500	
E. Multimedia Liability	\$1,000,000	\$2,500	
F. Cyber Extortion	\$1,000,000	\$2,500	
G. Business Income and Digital Asset Restoration	-	-	-
1. Business Income Loss	\$1,000,000	\$2,500	
2. Restoration Costs	\$1,000,000	\$2,500	
3. Reputation Business Income Loss	\$1,000,000	\$2,500	
4. Systems Integrity Restoration Loss *	\$50,000	\$2,500	
H. PCI DSS Assessment	\$1,000,000	\$2,500	
I. Electronic Fraud	-	-	-
1. Phishing Loss	\$50,000	\$2,500	
2. Services Fraud Loss	\$100,000	\$2,500	
3. Reward Fund Loss	\$50,000	\$2,500	
4. Personal Financial Loss	\$250,000	\$2,500	
5. Corporate Identify Theft Loss	\$250,000	\$2,500	
6. Telephone Hacking Loss	\$100,000	\$2,500	
7. Direct Financial Loss (Funds Transfer	\$100,000	\$2,500	
Supplemental Limits			
A. Court Attendance Costs	\$100,000	\$2,500	
B. Bodily injury / Property Damage Liability	\$250,000	\$2,500	
C. TCPA	\$100,000	\$10,000	
D. HIPAA Corrective Action Plan Costs	\$50,000	\$2,500	
E. Post Breach Response	\$25,000	\$2,500	
F. Independent Consultant	\$25,000	\$2,500	
G. Outsourced Provider	\$250,000	\$2,500	
H. Computer System	\$250,000	\$2,500	
I. Cyber bullying	\$250,000	\$2,500	

Policy Provisions

- This policy is written on a Claims Made basis.
 - Definition of Claim/Wrongful Act: Refer to attached Policy Form
 - Claim Reporting Provisions: Refer to attached Policy Form
 - Extended Reporting Period (ERP) Options Available: Refer to attached Policy Form
 - 100% of the Annual Policy Premium @ 12 Months
 - 175% of the Annual Policy Premium @ 24 Months
 - 225% of the Annual Policy Premium @ 36 Months
 - 250% of the Annual Policy Premium @ 48 Months
 - 275% of the Annual Policy Premium @ 60 Months
 - 300% of the Annual Policy Premium @ 72 Months
- Full Prior Acts Coverage applies
- Defense Costs are inside the limit.
- Punitive/Exemplary Damages are not covered.
- Most Favorable Venue is not covered.

Other Terms:

- Insured Business: K-12 Schools
- Territorial Limits: Worldwide
- Choice of Law: New York
- Waiting Period: 12 hours

Forms and Endorsements:

- Betterment Endorsement
- Breach Response Team Endorsement
- Coverage Enhancement Endorsement (3/20)
- Cyber Bullying Extension (3/20)
- Premium Payment Clause - LSW3001 (3/20)
- Several Liability Notice - LSW 1001 08/94
- New Short Rate Cancellation Table - NMA45

Exclusions include, but are not limited to:

- Sanction Limitation and Exclusion Clause - LMA 3100
- Radioactive Contamination Exclusion Clause -Liability – Direct - N.M.A. 1477
- Nuclear Incident Exclusion Clause - Liability - Direct (Broad) - N.M.A. 1256



Fiduciary Liability

Issuing Company: Travelers Casualty and Surety Company of America
 Proposed Policy Term: 7/1/2020 to 7/1/2021
 Policy Form: Claims-Made

Coverage Detail

Coverage Part	Limit / Sublimit	Retention	Continuity Date	Prior & Pending Date
Fiduciary Liability	\$1,000,000	\$0	As Expiring	As Expiring
Sub-limits:				
Settlement Program Limit of Liability	\$250,000			
HIPAA Limit of Liability	\$1,000,000			

Policy Provisions

- This policy is written on a Claims Made basis.
- Definition of Claim/Wrongful Act: Refer to attached Policy Form
- Claim Reporting Provisions: Refer to attached Policy Form
- Extended Reporting Period (ERP) Options Available:
 - Additional Premium Percentage: 75%
 - Additional Months: 12
- Retroactive Date as Expiring applies.
- The insurance company would have the duty to defend covered claims. The insurance company has the right and obligation to select legal counsel in the event of a covered claim.
- Defense Costs are inside the limit.
- Punitive/Exemplary Damages are not covered.
- Most Favorable Venue is not covered.

Forms and Endorsements:

- Fiduciary Liability Declarations Page - FRI-2001-0109
- Fiduciary Liability Policy - FRI-3001-0109
- New York Timely Notice and Direct Action Endorsement - ACF-7003-0110
- Removal of Short-Rate Cancellation Endorsement - ACF-7006-0511
- New York Free Trade Zone Filing Exemption and Class Code Disclosure - AFE-19002-0119
- Cap On Losses From Certified Acts Of Terrorism Endorsement - AFE-19029-0719
- Federal Terrorism Risk Insurance Act Disclosure Endorsement - AFE-19030-0719
- New York Amendatory Endorsement - FRI-4010-1115
- Global Coverage Compliance Endorsement - LIA-19097-0315
- Liability Coverage Terms and Conditions - LIA-3001-0109
- New York Changes Endorsement - LIA-4043-0615
- New York Cancellation and Nonrenewal Endorsement - LIA-5031-0511
- Amend Definition of Subsidiary Endorsement - LIA-7115-0911



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Exclusions include, but are not limited to

- Refer to Policy Form

If you have knowledge of any incidents that are likely to lead to a claim, and have not been reported to the carrier it may not be prudent to change carriers at this time. If you are aware of such an incident please contact our office as soon as possible.



Commercial Crime

Issuing Company: Hiscox Insurance Company, Inc.
 Proposed Policy Period: 7/1/2020 to 7/1/2021
 Coverage Form: Discovery

Coverage Detail

Subject	Blanket or Schedule	Amount	Deductible
Insuring Agreement A: Fidelity			
Employee Theft	Blanket	\$1,000,000	\$5,000
Third Parties' Property	Blanket	\$1,000,000	\$5,000
Insuring Agreement B: Forgery			
Checks	Blanket	\$1,000,000	\$5,000
Payment Cards	Blanket	\$1,000,000	\$5,000
Counterfeit	Blanket	\$1,000,000	\$5,000
Insuring Agreement C: Inside and Outside Loss			
Inside Premises	Blanket	\$1,000,000	\$5,000
Outside Transit	Blanket	\$1,000,000	\$5,000
Insuring Agreement D: Tech Fraud			
Computer	Blanket	\$1,000,000	\$5,000
Funds Transfer	Blanket	\$1,000,000	\$5,000
Cyber Deception	Blanket	\$150,000	\$5,000
Claim Expenses			
Claim Expenses	Blanket	\$150,000	N/A

Forms and Endorsements:

- Crime Terms and Conditions - CSUCRI P0001A CW (07-17)
- New York Amendatory Endorsement - E1100.1
- Duties in the Event of Loss Amended - E999.2
- Blanket Loss Payable Endorsement - E1445.1
- Amend Definition of Executive Employee Endorsement (Selected Coverage) - E1473.1

Exclusions include, but are not limited to:

- Acts of Employees Learned of by You Prior to the Policy Period
- Confidential Information
- Governmental Action
- Indirect Loss
- Legal Fees, Costs, and Expenses
- Inventory Shortages
- Transfer or Surrender of Property
- Voluntary Parting of Title to or Possession of Property
- Nuclear Incident Exclusion Clause - Liability-Direct (Broad) Endorsement - E2507.1
- War and Civil War Exclusion Endorsement - E2624.1
- ERISA



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ERISA

Issuing Company: Underwrites at Lloyd's of London (100% Syndicate 3624)
Proposed Policy Period: 7/1/2020 to 7/1/2021
Coverage Form: Discovery

Coverage Detail

Subject	Blanket or Schedule	Amount – Per Occurrence	Deductible – Per Occurrence
ERISA Limit (Applies Per Plan)	Blanket	\$1,000,000	\$0

Forms and Endorsements:

- Refer to Policy for list of exclusions

Exclusions include, but are not limited to:

- Acts of Employees Learned of by You Prior to the Policy Period
- Confidential Information
- Governmental Action
- Indirect Loss
- Legal Fees, Costs, and Expenses
- Inventory Shortages
- Transfer or Surrender of Property
- Voluntary Parting of Title to or Possession of Property
- Nuclear Incident Exclusion Clause - Liability-Direct (Broad) Endorsement - CSU E2507 CW (07/17)
- War and Civil War Exclusion Endorsement - CSU E2624 CW (07/17)



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Pollution Liability

Issuing Company: Lloyd's Syndicates 623/2623
 Proposed Policy Period: 7/1/2020 to 7/1/2021
 Policy Form: Claims Made

Coverage Detail

Coverage Part	Each Incident Limit	Deductible
New Pollution Conditions - (BI/PD and Cleanup)	\$1,000,000	\$10,000
New Pollution Conditions- 1st Party Discovery	\$1,000,000	\$10,000
Existing Pollution Conditions- (B/PD and Cleanup)	\$1,000,000	\$10,000
Transportation	\$1,000,000	\$10,000
Non-Owned Locations	\$1,000,000	\$10,000
Business Interruption Costs	\$1,000,000	7 Days
Policy Aggregate	\$2,000,000	
Sub-limits:		
Indoor Air Quality (Mold)	\$250,000	\$25,000
Indoor Air Quality (Mold) Policy Aggregate	\$500,000	-
Additional Claims Expense	\$250,000	-
Crisis and Reputation Expenses Coverage Each Pollution Condition Sublimit	\$500,000	-
Microbial Matter, Virus and Bacteria Sublimit	\$500,000	\$25,000
Asbestos and Lead	\$500,000	\$25,000

Exposures:

Description	Number of Total
Average Daily Attendance (ADA)	180 Students (Rate: \$1.00 per student) - \$500 Minimum Premium + Taxes/Fees



Policy Provisions

- This policy is written on a Claims Made basis.
- Definition of Claim/Wrongful Act:
 - Written demand received by an insured for money or services or alleging liability or responsibility, including, but not limited to, the service of suit or institution of arbitration proceedings; or
 - A court or government agency order or government or regulatory action filed against the insured.
- Claim Reporting Provisions: Refer to attached Policy Form
- Extended Reporting Period (ERP) Options Available: *200% of annual premium for 36 months. Note: ERP coverage request must be made in writing to Insurance carrier and insurance carrier must receive payment of the ERP premium within 60 days of the policy expiration*
- Retroactive Date is 7/1/2019
- Punitive/Exemplary Damages covered to the extent insurable under the law
- Most Favorable Venue is not covered.

Lloyd's Security Schedule:

- Syndicate 2623: 82%
- Syndicate 623: 18%

Forms and Endorsements:

- Lloyd's Security Schedule - SCHEDULE2018
- U.S. Terrorism Risk Insurance Act of 2002 as Amended New & Renewal Business (if TRIA is accepted) - E06693012015
- U.S. Terrorism Risk Insurance Act of 2002 as Amended Not Purchased Clause (if TRIA is rejected) - E06694012015
- Policyholder Disclosure Notice of Terrorism Insurance Coverage - E06671012015
- Minimum Earned Premium (100% Minimum Earned) - E12411012019
- Other Insurance- Primary Without Right of Contribution - E12453012019
- Microbial Matter, Methamphetamines, Virus and Bacteria - MANU1
- Microbial Matter, Virus and Bacteria Sublimit and Deductible - MANU2
- Asbestos and Lead - MANU3
- Amendatory - MANU4
- Covered Locations with Expiration and Microbial Matter Retroactive Dates - MANU5

Exclusions include, but are not limited to

- Nuclear Incident Exclusion Clause-Liability Direct (BROAD)(U.S.A.) - NMA1256
- Radioactive Contamination Exclusion Clause-Liability-Direct (U.S.A.) - NMA1477
- War and Terrorism Exclusion - NMA2918
- Maintenance and Upgrade Exclusion (Applies to Cleanup Costs Only) - E12476012019
- Capital Improvements Exclusion (Applied to Cleanup Costs Only) - E12476012019



Security Risk Management

Issuing Company: Houston Casualty Company
 Proposed Policy Term: 7/1/2020 to 7/1/2021
 Policy Form: Occurrence

Coverage Detail

Coverage Part	Limit / Sublimit
Limit of Liability for Insured Losses:	-
Ransom Lost	\$1,000,000
Personal Belongings	\$10,000
Transit	\$1,000,000
Legal Liability	\$1,000,000
Additional Expenses	\$1,000,000
Crisis Response Fees	Unlimited
Accidental Death & Dismemberment Section:	-
Maximum Benefit Per Insured Person	\$250,000
Insured Event Aggregate	\$1,250,000

Benefits per Insured Person:

Description of Loss:	% of Maximum Benefit
Death	100%
Loss of Limb	100%
Loss of Sight	100%
Loss of Speech	100%
Permanent Total Disability	100%
Mutilation	50%

Additional Coverages:

Description	Limit
Additional Covered Event Expenses - Threat Response Expense	
Limit of Liability Per Threat	\$100,000
Indemnity Period	90 Days
Disappearance & Investigation Expense	
Limit of Liability Per Event	\$150,000
Indemnity Period	90 Days
Waiting Period	48 Hours
Additional Coverage Endorsements - Loss of Earnings	
Limit of Liability Per Insured Event	\$1,000,000
Indemnity Period	90 Days
Waiting Period	6 Hours
Travel Security Evacuation	
Limit of Liability Per Event	\$500,000
Annual Aggregate Limit	\$1,000,000
Per Person Sublimit	\$25,000
Disaster Evacuation	



Limit of Liability Per Event	\$250,000
Annual Aggregate Limit	\$1,000,000
Per Person Sublimit	\$25,000
Child Abduction	
Limit of Liability Per Insured Event	\$1,000,000
Workplace Violence	
Limit of Liability Per Event	\$1,000,000
Annual Aggregate	\$1,000,000
Accidental Death and Dismemberment	
Per Person	\$250,000
Per Event	\$1,250,000

Description	Number of Total
Total Student Count or Enrollment	180
Total Faculty/Staff Count	22

Exclusions include, but are not limited to:

- The surrender of Personal Belongings at the time and location where an Express Kidnapping, Kidnapping, Hijacking, or Detention first occurs.
- The surrender of a Ransom:
 - That is being carried by, transported by or otherwise in the possession of an Insured Person at the time an Express Kidnapping, Kidnapping, Hijacking or Detention first occurs; or
 - At the location where an Express Kidnapping, Kidnapping, Hijacking or Detention first occurs, unless brought to such location for the sole purpose of conveying a previously communicated Ransom demand.
- Any Express Kidnapping, Kidnapping, Hijacking, or Extortion as a result of fraudulent, dishonest or criminal act(s) by an Insured Person or authorized representative (whether acting alone or in collusion with others) unless the person authorizing the Ransom payment had, prior to payment, made every reasonable attempt to determine that the Ransom demand or threat was genuine.
- As respects coverage for Recall Expenses, the Company shall have no liability for bodily injury, sickness, disease, or death of any person or animal, or damage to or destruction of any property, including loss of use thereof, arising out of the use or disposal of products manufactured or distributed by the Insured.
- Any Detention resulting from:
 - Any violation or alleged violation of the criminal laws of the host country by the Insured, provided that said violation would also be considered a violation of the laws of the country in which the Insured's headquarters are located, had said violation or alleged violation been committed there;
 - Any violation or alleged violation of the criminal laws of the host country by the Insured Person, provided that said violation would also be considered a violation of the laws of the country in which the Insured Person is a national, had said violation or alleged violation been committed there; or
 - Failure of the Insured or an Insured Person to maintain and possess duly authorized and issued required documents and visas.
 - However, this exclusion does not apply if the Company determines that such allegations were intentionally false, fraudulent and malicious and made solely to achieve a political, propaganda, and/or coercive effect upon or at the expense of the Insured or an Insured Person.



Student Accident

Issuing Company: United States Fire Insurance Company
Proposed Policy Period: 6/1/2020 to 7/1/2021

Coverage Detail

Limits of Liability	Description
\$25,000	Accident Medical Maximum
\$25,000; \$1,000 Extended Dental Benefit Included	Dental Medical Maximum
\$15,000/\$30,000	Accidental Death & Dismemberment
\$0	Deductible
2 Years	Benefit Period

Covered Class	Number of Total
Grades PreK-8	180 (Rate: \$2.40/Student)

Exclusions include, but are not limited to:

- Suicide, self-destruction, attempted self-destruction or intentional self-inflicted Injury while sane or insane.
- War or any act of war, declared or undeclared.
- An Accident which occurs while the Covered Person is on Active Duty in any Armed Forces, National Guard, military, naval or air service or organized reserve corps:
- Injury sustained while in the service of the armed forces of any country. When the Covered Person enters the armed forces of any country, We will refund the unearned pro-rata premium upon request;
- Participation in a riot or insurrection.
- Disease or disorder of the mind, including mental or nervous disorders.
- Loss sustained or contracted in consequence of the insured's being intoxicated or under the influence of any narcotic unless administered on the advice of the Covered Person's Physician.
- Commission or attempt to commit a felony
- Injuries paid under Workers' Compensation, Employers liability laws or similar occupational benefits or while engaging in activity for monetary gain from sources other than the Policyholder.
- Treatment in any Veterans Administration or Federal Hospital, except if there is a legal obligation to pay.
- Dental care or treatment other than care of sound, natural teeth and gums required on account of Injury resulting from an Accident while the Covered Person is covered under this Certificate, and rendered within 6 months of the Accident.
- Rest cures or custodial care.
- Elective or Cosmetic surgery, except for reconstructive surgery on an injured part of the body.

Catastrophic Accident

Issuing Company: United States Fire Insurance Company
 Proposed Policy Period: 7/1/2020 to 7/1/2021

Coverage Detail

Limits of Liability	Description
\$5,000,000	Accident Medical Maximum
\$10,000	Accidental Death & Dismemberment
\$25,000	Deductible
10 Years	Benefit Period

Covered Class	Number of Total
Grades PreK-8	180 (Rate: \$0.61/Student)

Exclusions include, but are not limited to:

- Suicide, self-destruction, attempted self-destruction or intentional self-inflicted Injury while sane or insane.
- War or any act of war, declared or undeclared.
- An Accident which occurs while the Covered Person is on Active Duty in any Armed Forces, National Guard, military, naval or air service or organized reserve corps:
- Injury sustained while in the service of the armed forces of any country. When the Covered Person enters the armed forces of any country, We will refund the unearned pro-rata premium upon request;
- Participation in a riot or insurrection.
- Disease or disorder of the mind, including mental or nervous disorders.
- Loss sustained or contracted in consequence of the insured's being intoxicated or under the influence of any narcotic unless administered on the advice of the Covered Person's Physician.
- Commission or attempt to commit a felony
- Injuries paid under Workers' Compensation, Employers liability laws or similar occupational benefits or while engaging in activity for monetary gain from sources other than the Policyholder.
- Treatment in any Veterans Administration or Federal Hospital, except if there is a legal obligation to pay.
- Dental care or treatment other than care of sound, natural teeth and gums required on account of Injury resulting from an Accident while the Covered Person is covered under this Certificate, and rendered within 6 months of the Accident.
- Rest cures or custodial care.
- Elective or Cosmetic surgery, except for reconstructive surgery on an injured part of the body.



Workers Compensation

Issuing Company: Hartford Fire Insurance Company
Proposed Policy Term: 7/1/2020 to 7/1/2021

Coverage Detail

Limits	Description
\$1,000,000	Employers Liability: Each Accident
\$1,000,000	Employers Liability: Disease – Policy Limit
\$1,000,000	Employers Liability: Disease – Each Employee
As Required by Law for Covered States	Workers Compensation: Statutory Benefit

Description	Expiring Year	Renewal Year
Experience Modification Factor	100%	100%
Total Payrolls	\$1,666,300	\$1,666,300

Billing / Audit Information

Deposit Amount	Pay in Full
Payment Plan	Pay in Full
Billing Plan	Agency Bill
Audit Frequency	Subject to Annual Final Audit

Locations & Classifications

Loc #	State	Class Code	Categories, Duties	Estimated Payroll	Base Rate Per \$100	Net Rate* Per \$100
1	NY	8868	School – Professional Employees & Clerical	\$1,666,300	.55	
1	NY	9101	All Other Employees & Drivers	If Any	3.73	

*Net rate calculation includes Experience Modification Factor and any credits/debits but does not include any taxes and fees. The net rate calculation is an approximation and may differ slightly from the actual rate. Net Rate differs from Interim Rate.

Estimated payroll **should include** wages, salaries, commissions, cash payments to subcontractors, bonuses, vacation/holiday/sick pay, straight pay for overtime hours, market value for lodging provided, market value of gifts, and all other substitutes for money. **Do not include** overtime pay in excess of straight pay for the employee or wages of subcontractors that provide you with a valid license and certificate of workers' compensation coverage.

Paid officers are subject to special rules regarding their payroll. Volunteer(s) and donated labor is NOT covered by Workers' Compensation insurance unless specifically added by endorsement.



Workers Compensation Policy Provisions/Exclusions

- Bodily Injury by Accident must occur during the policy period.
- Bodily Injury by Disease must be caused by or aggravated by the conditions of employment. The employee's last day of exposure to the conditions causing or aggravating such bodily injury by disease must occur during the policy period.
- Since there are no policy exclusions in **Part 1 of any Workers' Compensation Policy**, the determination by the carrier about the compensability of a particular type of injury or employee status becomes a claims matter. For example, if a carrier denies a claim for an employee's for self inflicted injury, the insured still has workers' compensation coverage for any associated indemnity, medical or expenses incurred in defending the claim. In a situation involving employee status, again the insured would have coverage under the policy even if the claim were denied (per LC 3352).
- With the above in mind, although there are no exclusions under Part One of any Workers' Compensation policy, under California WC law are (1) those who fall outside the definition of "employee" listed below, and (2) those types of injuries listed below are not intended to be covered:
 - Domestic service employment by the parent, spouse, or child of the employee (3352(a))
 - Domestic service employment when the employee worked less than 52 hours or earned less than \$100 in wages from the employer during the 90 calendar days prior to injury (3352(h))
 - Performance of services in return for aid or sustenance from any religious, charitable, or relief organization (3352(b)) Independent contractors
 - Illegally employed minors under 16 years of age
 - Intentionally self-inflicted injuries
 - Injuries that are caused by the intoxication of the injured employee with alcohol or the unlawful use of a controlled substance, injuries arising out of an altercation in which the injured employee was the initial physical aggressor, and injuries caused by the commission of a crime by the employee (3600(a.4–8)).
 - Injuries arising out of voluntary participation in any off-duty recreational activity are not compensable, except where the activity is expressly or by implication required by the employment (3600(a.9)).
 - When the claim for compensation is filed after notice of termination or layoff, compensation is payable only when certain criteria have been met (3600(a.10)) (3208.3(e)).
 - To be compensable, a psychiatric injury must be a mental disorder that causes disability or the need for medical treatment, diagnosed in accordance with procedures set forth in section 139.2(j.4). Also, the employee must demonstrate that the actual events of employment were a predominant (51 percent or more) cause of the injury, except that, in the case of injuries resulting from being a victim of a violent act or from direct exposure to a significant violent act, the employee must demonstrate that the actual events of employment were a substantial cause of the injury.
 - Psychiatric injuries resulting from lawful, nondiscriminatory, good faith personnel actions are not compensable (3208.3)



Workers Compensation Policy Provisions/Exclusions (Continued)

- **Employers Liability Exclusions:**
 - Liability assumed under a contract
 - Punitive or exemplary damages
 - Bodily injury to an employee while employed in violation of law with your actual knowledge or the actual knowledge of any of your executive officers
 - Bodily injury intentionally caused or aggravated by you
 - Bodily injury occurring outside the United States of America, its territories or possessions, and Canada. This exclusion does not apply to bodily injury to a citizen or resident of the United States of America or Canada who is temporarily outside these countries.
 - Damages arising out of coercion, criticism, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation, discrimination against or termination of any employee, or any personnel practices, policies, acts or omissions
 - Bodily injury to any person in work subject to the Longshore and Harbor Workers' Compensation Act (33 USC Sections 901-950), the Nonappropriated Fund Instrumentalities Act (5 USC Sections 8171-8173), the Outer Continental Shelf Lands Act (43 USC Sections 1331-1356), the Defense Base Act (42 USC Sections 1651-1654), the Federal Coal Mine Health and Safety Act of 1969 (30 USC Sections 901-942), any other federal workers or workmen's compensation law or other federal occupational disease law, or any amendments to these laws
 - Bodily injury to any person in work subject to the Federal Employers' Liability Act (45 USC Sections 51-60), any other federal laws obligating an employer to pay damages to an employee due to bodily injury arising out of or in the course of employment, or any amendments to those laws.

Appendix – Independent Contractors vs. Employees

The question of whether a worker is an independent contractor or an employee is not easily answered. Merely agreeing with someone on independent contractor status does not make it so. Also, California workers' compensation laws relating to an employee versus contractor status are different from the laws applied to this question by other state and federal agencies.

Contrary to what you might think, the mere existence of a written employment contract or a lease will not establish an independent contractor relationship. For example, suppose you are a contractor and you hire a subcontractor with employees for a specific task. The subcontractor or their employee is injured on the job. Are you liable for workers' compensation insurance? The answer is YES if the subcontractor is not licensed. The courts have held that a subcontractor can only be considered an independent contractor if he/she is licensed. As required by Chapter 9 of Division 3 of the Business Profession code, if a subcontractor is unlicensed and performing license-required work, the subcontractor is an employee of the contractor. In addition, you could be held liable for workers' compensation benefits if the employee of any uninsured subcontractor is injured while working on a project with you.

Not all occupations have licenses like the construction industries. California courts and state agencies typically use a number of tests to determine whether an individual is an employee or an independent contractor. No single test is the sole determining factor. However, a crucial factor in determining employment status is the right to direct and control. If you have the right, whether or not that right is exercised, the courts have routinely decided that the Independent contractor is actually your employee (even if the person is licensed). Some of the other tests used are:

- Whether the person performing the service has independently chosen the burdens and benefits of self-employment
- Whether the person performing the service is engaged in a distinct occupation or business
- The skill required in the particular occupation
- Whether the employer or the person performing the service supplies the instrumentalities, tools and place of work
- Whether the person performing the service has the right to hire and terminate others
- The right to terminate the relationship at will

Remember this list is not exhaustive, and the answer to any single test is not the determining factor. If certain jobs require a license; insist on seeing the license and retain a copy for your records. Contact the Contractors State License Board to verify that the license is valid for the type of work you are contracting and that the person presenting it is listed on the license records. Obtain original Certificates of Workers' Compensation Insurance addressed to you from all contractors and subcontractors who have employees or who, in turn, subcontract any portion of their work. If the job does not require a license or if you are not sure of the status of a worker please contact our office and speak to a representative.

Coverage Considerations

Coverages are highlighted here to review available coverages which you should consider. These coverages are included in the coverage section of this proposal only if quoted and highlighted as covered. A proposal for any of the following coverages can be provided. The recommendations and considerations summarized in this section are not intended to identify all exposures. If Gallagher does not handle your complete insurance program; these recommendations only reflect items within our scope of responsibility.

Automobile	<input type="checkbox"/> Drive-Other Car <input type="checkbox"/> Auto Loan Lease Gap Coverage	<input type="checkbox"/> Waiver of Collision Deductible
Equipment Breakdown	<input type="checkbox"/> Demolition <input type="checkbox"/> Increased Cost of Construction <input type="checkbox"/> Property Damage	<input type="checkbox"/> Increased Time to Rebuild <input type="checkbox"/> Utility Service Interruption
General Liability	<input type="checkbox"/> Faculty Liability / Corporal Punishment <input type="checkbox"/> Stop-Gap	
Executive Package	<input type="checkbox"/> Third Party Liability	
Property	<input type="checkbox"/> Agreed Amount <input type="checkbox"/> Demolition Cost <input type="checkbox"/> "Green" Coverage – Enhanced energy efficient or environmentally-preferable or sustainable methods in the rebuilding design and construction	<input type="checkbox"/> Fences, Signs, Outdoor Equipment, and Playground Equipment <input type="checkbox"/> Water Backup of Sewers or Drains
Other Coverage Considerations	<input type="checkbox"/> Builders Risk and Owners Contractors Protective Liability (OCP) <input type="checkbox"/> Aviation	

Carrier Ratings and Admitted Status

Proposed Insurance Companies	A.M. Best's Rating & Financial Size Category*	Admitted/Non-Admitted**
Markel Insurance Company	A XV	Admitted
Hiscox Insurance Company, Inc.	A XV	Admitted
Travelers Casualty and Surety Company of America	A++ XV	Admitted
Underwriters at Lloyd's London	A XV	Non-Admitted
Lloyd's Syndicates 623/2623	A XV	Non-Admitted
Underwriters at Lloyd's of London (100% Syndicate 3624)	A XV	Non-Admitted
Houston Casualty Company	A++ XV	Non-Admitted
United States Fire Insurance Company	A XIII	Admitted
Hartford Fire Insurance Company	A+ XV	Admitted

*Gallagher companies use A.M. Best rated insurers and the rating listed above was verified on the date the proposal document was created.

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**If coverage placed with a non-admitted carrier, it is doing business in the state as a surplus lines or non-admitted carrier, and is neither subject to the same regulations as an admitted carrier nor do they participate in any state insurance guarantee fund.

Gallagher companies make no representations and warranties concerning the solvency of any carrier, nor does it make any representation or warranty concerning the rating of the carrier which may change.

Bindable Quotations & Compensation Disclosure Schedule

Coverage	Carrier Name	Wholesaler, MGA or Intermediary Name ¹	Estimated Annual Premium ²	Comm % or Fee ³	Gallagher U.S. owned Wholesaler, MGA or Intermediary %
Commercial Package	Markel Insurance Company	Scholastic First Insurance (Arthur J. Gallagher & Co) Wright Specialty Insurance	\$13,181	11.5%	6% —— *Unknown
Commercial Auto	Markel Insurance Company	Scholastic First Insurance (Arthur J. Gallagher & Co) Wright Specialty Insurance	\$927	11.5%	6% —— *Unknown
Excess Educators Legal Liability	Markel Insurance Company	Scholastic First Insurance (Arthur J. Gallagher & Co) Wright Specialty Insurance	\$5,000	11.5%	6% —— *Unknown
Educators Legal Liability	Markel Insurance Company	Scholastic First Insurance (Arthur J. Gallagher & Co) Wright Specialty Insurance	\$10,715	11.5%	6% —— *Unknown

Coverage	Carrier Name	Wholesaler, MGA or Intermediary Name ¹	Estimated Annual Premium ²	Comm % or Fee ³	Gallagher U.S. owned Wholesaler, MGA or Intermediary %
Cyber Liability (\$1M Limit)	Underwriters at Lloyd's London	Scholastic First Insurance (Arthur J. Gallagher & Co) Risk Placement Services, Inc.	\$1,056 + \$39.81 SL Tax/Fee	15%	5% ----- 12%
Cyber Liability (\$2M Limit)	Underwriters at Lloyd's London	Scholastic First Insurance (Arthur J. Gallagher & Co) Risk Placement Services, Inc.	\$1,346 + \$50.74 SL Tax/Fee	15%	5% ----- 12%
Fiduciary Liability	Travelers Casualty and Surety Company of America	N/A	\$1,400 (Indication)	17.5%	N/A
Commercial Crime	Hiscox Insurance Company, Inc.	Scholastic First Insurance (Arthur J. Gallagher & Co)	\$1,096	15%	5% + \$100 SFI Broker Fee
ERISA	Underwriters At Lloyds, London (100% Syndicate 3624)	Scholastic First Insurance (Arthur J. Gallagher & Co)	\$50 + \$1.88 SL Taxes & Fees	15%	5%



Coverage	Carrier Name	Wholesaler, MGA or Intermediary Name ¹	Estimated Annual Premium ²	Comm % or Fee ³	Gallagher U.S. owned Wholesaler, MGA or Intermediary %
Pollution Liability	Lloyd's Syndicates 623/2623	Scholastic First Insurance (Arthur J. Gallagher & Co.) Glendale Arthur J. Gallagher & Co. Insurance Brokers of California, Inc. - Lafayette	\$500 + \$16.25 Tax/Fee	10%	3.5% + \$100 RPG Fee 6.5%
Security Risk Management	Houston Casualty Company	Scholastic First Insurance (Arthur J. Gallagher & Co)	\$1,150 + \$37.38 Tax/Fee	20%	10% + \$100 RPG Fee
Student Accident	United States Fire Insurance Company	Scholastic First Insurance (Arthur J. Gallagher & Co.) Gallagher Student Health & Special Risk	\$432	15%	5% 5% + 2% Program Fee
Catastrophic Accident	United States Fire Insurance Company	Scholastic First Insurance (Arthur J. Gallagher & Co.) Gallagher Student Health & Special Risk	\$500	15%	5% 5% + 2% Program Fee

Coverage	Carrier Name	Wholesaler, MGA or Intermediary Name ¹	Estimated Annual Premium ²	Comm % or Fee ³	Gallagher U.S. owned Wholesaler, MGA or Intermediary %
Workers Compensation	Hartford Fire Insurance Company	Scholastic First Insurance (Arthur J. Gallagher & Co)	\$10,782 + \$1,291	11.5%	6%

1. We were able to obtain more advantageous terms and conditions for you through an intermediary/wholesaler.
2. If the premium is shown as an indication: The premium indicated is an estimate provided by the market. The actual premium and acceptance of the coverage requested will be determined by the market after a thorough review of the completed application.
* A verbal quotation was received from this carrier. We are awaiting a quotation in writing.
3. The commission rate is a percentage of annual premium excluding taxes & fees.
* Gallagher is receiving ___% commission on this policy. The fee due Gallagher will be reduced by the amount of the commissions received.

Proposal Disclosures

IMPORTANT: The proposal and/or any executive summaries outline certain terms and conditions of the insurance proposed by the insurers, based on the information provided by your company. The insurance policies themselves must be read to fully understand the terms, coverages, exclusions, limitations and/or conditions of the actual policy contract of insurance. Policy forms will be made available upon request. We make no warranties with respect to policy limits or coverage considerations of the carrier.

We will not be operating in a fiduciary capacity, but only as your broker, obtaining a variety of coverage terms and conditions to protect the risks of your enterprise. We will seek to bind those coverages based upon your authorization; however, we can make no warranties in respect to policy limits or coverage considerations of the carrier. Actual coverage is determined by policy language, so read all policies carefully. Contact us with questions on these or any other issues of concern.

TRIA/TRIPRA Disclaimer – If this proposal contains options to purchase TRIA/TRIPRA coverage, the proposed TRIA/TRIPRA program may not cover all terrorism losses. While the amendments to TRIA eliminated the distinction between foreign and domestic acts of terrorism, a number of lines of coverage excluded under the amendments passed in 2005 remain excluded including commercial automobile, burglary and theft insurance; surety insurance, farm owners multiple perils and professional liability (although directors and officers liability is specifically included). If such excluded coverages are required, we recommend that you consider purchasing a separate terrorism policy. Please note that a separate terrorism policy for these excluded coverages may be necessary to satisfy loan covenants or other contractual obligations. TRIPRA includes a \$100 billion cap on insurers' aggregate liability.

The TRIPRA program increases the amount needed in total losses by \$20 million each calendar year before the TRIPRA program responds from the 2015 trigger of \$100 million to \$200 million by the year 2020. TRIPRA is set to expire on December 31, 2020. There is no certainty of extension, thus the coverage provided by your insurers may or may not extend beyond December 31, 2020. In the event you have loan covenants or other contractual obligations requiring that TRIA/TRIPRA be maintained throughout the duration of your policy period, we recommend that a separate "Stand Alone" terrorism policy be purchased to satisfy those obligations.

Gallagher does not provide actuarial services or actuarial estimates of rate levels or rate methodology. In the event that we provide suggestions regarding the establishment of rates, premiums, or retention/deductible amounts, that advice is based solely on various insurance industry standards and does not constitute an actuarial evaluation or opinion. We recommend that you contract with a certified actuary for a more precise evaluation and recommendation for rates and overall rating methodology.

The proposal of insurance features policies which contain cancellation provisions to refund premium other than on a pro-rata basis for such occurrences including but not limited to non-payment of premium (short rate penalty provisions). At your request we can detail the terms of such cancellation provisions.

This proposal of insurance features insurance policies which contain cancellation provisions and/or cancellation penalties/fees which refund premium other than on a pro-rata basis. The insurance carrier's assessment of such cancellation fees are detailed in this proposal for any line of coverage where the proposed insurer is applying such fees.

Compensation Disclosure

1. Gallagher Companies are primarily compensated from the usual and customary commissions, fees or, where permitted, a combination of both, for brokerage and servicing of insurance policies, annuity contracts, guarantee contracts and surety bonds (collectively “insurance coverages”) handled for a client’s account, which may vary based on market conditions and the insurance product placed for the client.
2. In placing, renewing, consulting on or servicing your insurance coverages, Gallagher companies may participate in contingent and supplemental commission arrangements with intermediaries and insurance companies that provide for additional compensation if certain underwriting, profitability, volume or retention goals are achieved. Such goals are typically based on the total amount of certain insurance coverages placed by Gallagher with the insurance company, not on an individual policy basis. As a result, Gallagher may be considered to have an incentive to place your insurance coverages with a particular insurance company. If you do not wish to have your commercial insurance placement included in consideration for additional compensation, contact your producer or service team for an Opt-out form.
3. Gallagher Companies may receive investment income on fiduciary funds temporarily held by them, or from obtaining or generating premium finance quotes, unless prohibited by law.
4. Gallagher Companies may also access or have an ownership interest in other facilities, including wholesalers, reinsurance intermediaries, captive managers, underwriting managers and others that act as intermediaries for both Gallagher and other brokers in the insurance marketplace some of which may earn and retain customary brokerage commission and fees for their work.

If you have specific questions about any compensation received by Gallagher and its affiliates in relation to your insurance placements, please contact your Gallagher representative for more details.

In the event you wish to register a formal complaint regarding compensation Gallagher receives from insurers or third-parties, please contact Gallagher via e-mail at Compensation.Complaints@ajg.com or by regular mail at:

Chief Compliance Officer
Gallagher Global Brokerage
Arthur J. Gallagher & Co.
2850 Golf Rd.
Rolling Meadows, IL 60008

Appendix

The following documents are attached to this proposal for your reference:

- Employee Benefits Liability – Specimen policy form and any applicable Endorsements
- Law Enforcement Liability - Specimen policy form and any applicable Endorsements
- Educators Legal Liability - Specimen policy form and any applicable Endorsements
- Fiduciary Liability - Specimen policy form and any applicable Endorsements
- Pollution Liability - Specimen policy form and any applicable Endorsements