



Board of County Commissioners Agenda Request

24
Agenda Item #

Requested Meeting Date: April 24, 2018

Title of Item: Builder's Risk Insurance

<input type="checkbox"/> REGULAR AGENDA <input checked="" type="checkbox"/> CONSENT AGENDA <input type="checkbox"/> INFORMATION ONLY	Action Requested: <input checked="" type="checkbox"/> Approve/Deny Motion <input type="checkbox"/> Adopt Resolution (attach draft)	<input type="checkbox"/> Direction Requested <input type="checkbox"/> Discussion Item <input type="checkbox"/> Hold Public Hearing* <small>*provide copy of hearing notice that was published</small>
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Submitted by: Jessica Seibert, County Administrator	Department: Administration
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Presenter (Name and Title): Jessica Seibert, County Administrator	Estimated Time Needed:
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Summary of Issue:

Builder's Risk Insurance is required during the construction of the government center. MCIT does not provide this type of coverage. A quote from The Hartford is attached. This has been budgeted in the project under General Conditions.

Alternatives, Options, Effects on Others/Comments:

Recommended Action/Motion:
Approve/deny Builder's Risk Insurance quote from The Hartford.

Financial Impact:

Is there a cost associated with this request? Yes No

What is the total cost, with tax and shipping? \$ 10,868.00

Is this budgeted? Yes No *Please Explain:*



THE HARTFORD

Commercial Insurance Quote Proposal

AITKIN COUNTY
Effective April 16, 2018

Insurance Professional

Patricia Weidner
MEADOWBROOK INC
April 6, 2018

Insurance Program Summary

AITKIN COUNTY
Effective Date: April 16, 2018

Coverage	Annual Premium	Policy Term Premium	Effective
Builder's Risk	\$6,344	\$10,868	4/16/2018 to 1/1/2020

Annual Coverage Premium ¹ :	\$6,344
Total Policy Term Coverage Premium:	\$10,868
Terrorism Premium:	\$326
State Surcharges:	\$0.00
Total Premium at Issue ²:	\$11,194.00
Minimum Retained Premium ³:	\$2,500

Notes:

1. Annual Coverage Premium - calculated on estimated full year exposures before Terrorism & State Surcharges, if applicable;
2. Total Premium at Issue - Policy Term Coverage Premium + State Surcharges (if applicable) + Terrorism Premium (if applicable);
3. Minimum Retained Premium - If the cumulative earned premium is greater than the deposit premium, the excess shall be paid by the Insured. If the cumulative earned premium is less than the deposit but greater than the minimum retained the difference shall be returned to the Insured.



- Builders Risk Limits of Insurance & Valuation Terms -

Effective Date: April 16, 2018

Covered Builders Risk	Limit of Insurance	Deductible	Exposure Type	Computed On	Annual Rate	Annual Premium
Hard Costs (New Construction)	\$10,938,566	\$5,000	TIV	\$10,938,566	0.053	\$5,797
Property in Transit	\$500,000	Included Above	TIV	Included Above	Included Above	Included Above
Property in Temporary Storage	\$500,000	Included Above	TIV	Included Above	Included Above	Included Above
Wind & Hail (per occurrence and in the term aggregate)	Included	\$5,000			Included	
Equipment Breakdown / Testing	\$10,938,566	\$5,000	Limit	\$10,938,566	0.005	\$547
Additional Coverages						
Architects and Engineer Expenses	\$50,000				Included Below	
Claim Expenses	\$50,000				Included Below	
Contract Penalties	\$50,000				Included Below	
Debris Removal	\$1,000,000				Included Below	
Debris Recycling	\$50,000				Included Below	
Expediting Expense & Extra Expense	\$25,000				Included Below	
Fire Department Service Charge	\$50,000				Included Below	
Fungus, Wet Rot, Dry Rot, Bacteria and Virus Limited Coverage	\$100,000				Included Below	
Indoor Air Quality	\$50,000				Included Below	
Ordinance or Law - Loss in Value	Included				Included Below	
Ordinance or Law (Demo/ICC component) - subject to amt of loss and insured value of structure	\$1,000,000				Included Below	
Pollutants and Contaminants Clean Up and Removal (any one occurrence)	\$10,000				Included Below	
Pollutants and Contaminants Clean Up and Removal (each 12 month period)	\$25,000				Included Below	
Reward Coverage	\$50,000				Included Below	
Valuable Papers and Electronic Data	\$100,000				Included Below	
Total Additional Limits Surcharge						\$0
Coverage Extensions						
Cost to Re-erect Scaffolding	\$100,000				Included Below	
Fire Device Recharge	Included				Included Below	
Fences and Scaffolding	\$100,000				Included Below	
Furniture & Fixtures	\$100,000				Included Below	
Green Authority	Included				Included Below	
Jobsite Trailer	\$25,000				Included Below	
Jobsite Trailer Contents	\$10,000				Included Below	
Outdoor Trees/Shrubs/Sod/Plants	\$10,000				Included Below	
Preservation of Property (loss window)	180 days				Included Below	
Sewer & Drain Backup	Included				Included Below	
Site Prep	Included				Included Below	
Testing	Included				Included Below	
Vegetative Roofing	Included				Included Below	
Total Coverage Extensions Surcharge						\$0
Escalation Clause - No						
Builders Risk Annual Premium						\$6,344
Builders Risk Policy Term Premium						\$10,868

Builders Risk Project Description and Premises of Construction

Address	271 2nd Street NW
Class	Aitkin Minnesota 56431
ISO Protection Class	Masonry Non Combustible
Intended Occupancy	6
Type of Construction	Government/Municipal (excl Gas,
Building Area (sq. ft.)	New Construction
Cost per sq. ft.	29,600
	\$370

Notes/Terms/Conditions

This proposal form is meant only as a brief summary of coverage. For actual terms and restrictions, refer to the individual policy and coverage forms.



- Additional Considerations -

Effective Date: April 16, 2018

Premium may include surcharges, taxes, and assessments.

Commission percentages shown are for base commission only and do not include any applicable supplemental commission or other forms of compensation. The premiums identified above may contain surcharges and/or assessments to which the commission percentages shown above may not apply. Workers compensation commission percentage applies to the standard premium before application of any premium discount. Commission does not apply to retrospective premium adjustments.

Payment Plan

Direct Bill

Billing Plans	Down Payment	Installments
Full Pay	100%	
Two Pay	60%	40%
Three Pay	40%	2 @ 30%
Four Pay	30%	2 @ 25% and 1 @ 20%
Ten Pay	25%	9 @ 8.33%

Note: Installment fees apply; visit our Agent's Billing Guide and Bill Fee Schedule on the EBC or contact your local underwriter for more information

• Please advise which Premium Payment Plan option is desired by the insured. Unless we hear from you otherwise, we will bill the policy with the DIRECT BILL-single pay plan.

Terms & Conditions

- If this quote proposal contains identical coverages, limits and deductibles to a previously issued quote proposal, this quote proposal will replace the previously issued quote proposal.
- The quote is valid for 90 days from the date of the proposal or until the proposed policy inception date, whichever is earlier. Coverage may not be bound retroactively.
- This proposal provides a summary of coverages. For a complete description of coverages and all terms and conditions, please refer to The Hartford's policy forms, which are available upon request or online on the Electronic Business Center (EBC).
In the event of a conflict, the actual terms, conditions, limitations and exclusions of the policy shall prevail.
- Insurance specifications and other requests for coverage that are not incorporated in this proposal, confer no rights and do not amend, extend or alter the coverage afforded by The Hartford.
- Whether or not this quote is for more than one line of insurance, it must be accepted or rejected by the recipient in its entirety. Please contact the underwriter in the event that only a portion of the quotation is desired.
- This proposal is subject to the cancellation provisions applicable to each policy.
- Prior to the effective date of coverage, The Hartford must be advised of any change in the information provided by or required to be provided by the applicant, or any change in the exposure basis, hazard or risk contemplated by this proposal since the original submission date. The Hartford reserves the right to modify or withdraw this proposal in the event of any of the above.
- These underwriters must be advised prior to the effective date of coverage, of any material change in the risk since original submission date. The Hartford reserves the right to modify or withdraw this proposal in the event of material change.
- All of the terms, conditions and other requirements set forth in this proposal must be included in any quote presentation to the proposed insured.



QUOTE IS SUBJECT TO:

Unless otherwise stated below, coverage may be bound. However, we require compliance to these Subject To requirements within 30 days of policy inception, unless otherwise specified, to avoid cancellation of the policy.

Favorable Loss Control Inspection within 60 days.

YOUR MARINE UNDERWRITING AND SERVICE TEAM

The backbone of a successful relationship is our ability to provide local expertise, backed by national strength. We know you, your objectives and territories because of the success we have had combining our local expertise with national products and services. The Hartford assigns local sales underwriters and service center teams to individual agencies. Our unique approach has led agency principals, producers and CSRs to rate us as superior among our largest competitors in delivering a "relationship of trust and mutual respect."

Team Member	Role	Phone Number
Dave Wagner	Underwriter	(248) 816-7656
Pamela Gibson	Account Manager	(312) 384-7589
	Loss Control Consultant	
	Claims Service Consultant	

TERRORISM

DISCLOSURE PURSUANT TO TERRORISM RISK INSURANCE ACT

Terrorism Coverage and Premium

In accordance with the federal Terrorism Risk Insurance Act (as amended "TRIA"), we are required to make coverage available under your policy for "certified acts of terrorism." The actual coverage provided by your policy(ies) will be limited by the terms, conditions, exclusions, limits, and other provisions of your policy(ies), as well as any applicable rules of law.

The portion of your premium attributable to this terrorism coverage is shown in the premium section(s) of this quote proposal or binder.

Definition of Certified Act of Terrorism

A "certified act of terrorism" means an act that is certified by the Secretary of the Treasury, in accordance with the provisions of TRIA, to be an act of terrorism under TRIA. The criteria contained in TRIA for a "certified act of terrorism" include the following:

1. The act results in insured losses in excess of \$5 million in the aggregate, attributable to all types of insurance subject to TRIA; and
2. The act results in damage within the United States, or outside the United States in the case of certain air carriers or vessels or the premises of an United States mission; and
3. The act is a violent act or an act that is dangerous to human life, property or infrastructure and is committed by an individual or individuals acting as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

Disclosure of Federal Share of Terrorism Losses

The United States Department of the Treasury will reimburse insurers for 85% of insured losses that exceed the applicable insurer deductible. Effective January 1, 2016, this percentage will be reduced to 84%, effective January 1, 2017 to 83%, effective January 1, 2018 to 82%, effective January 1, 2019 to 81%, and effective January 1, 2020 to 80%. However, if aggregate industry insured losses under TRIA exceed \$100 Billion in a calendar year, the Treasury shall not make any payment for any portion of the amount of such losses that exceeds \$100 billion. The United States government has not charged any premium for their participation in covering terrorism losses.

Cap on Insurer Liability for Terrorism Losses

If aggregate industry insured losses attributable to "certified acts of terrorism" under TRIA exceed \$100 Billion in a calendar year, and we have met, or will meet, our insurer deductible under TRIA, we shall not be liable for the payment of any portion of the amount of such losses that exceed \$100 billion. In such case, your coverage for terrorism losses may be reduced on a pro-rata basis in accordance with procedures established by the Treasury, based on its estimates of aggregate industry losses and our estimate that we will exceed our insurer deductible. In accordance with the Treasury's procedures, amounts paid for losses may be subject to further adjustments based on differences between actual losses and estimates.

Note to Producer on TRIA: The premium for terrorism coverage and the TRIA disclosures above must be provided to the insured or prospect at the time of quoting. If you are not using this quote proposal, you can use Hartford's stand-alone TRIA disclosure form for quotes and binders, which is available on EBC or from the company.

