



***PROTECT YOUR BOARD,  
PROTECT YOURSELF,  
PROTECT YOUR ASSETS***

February 20, 2025



## SPEAKERS

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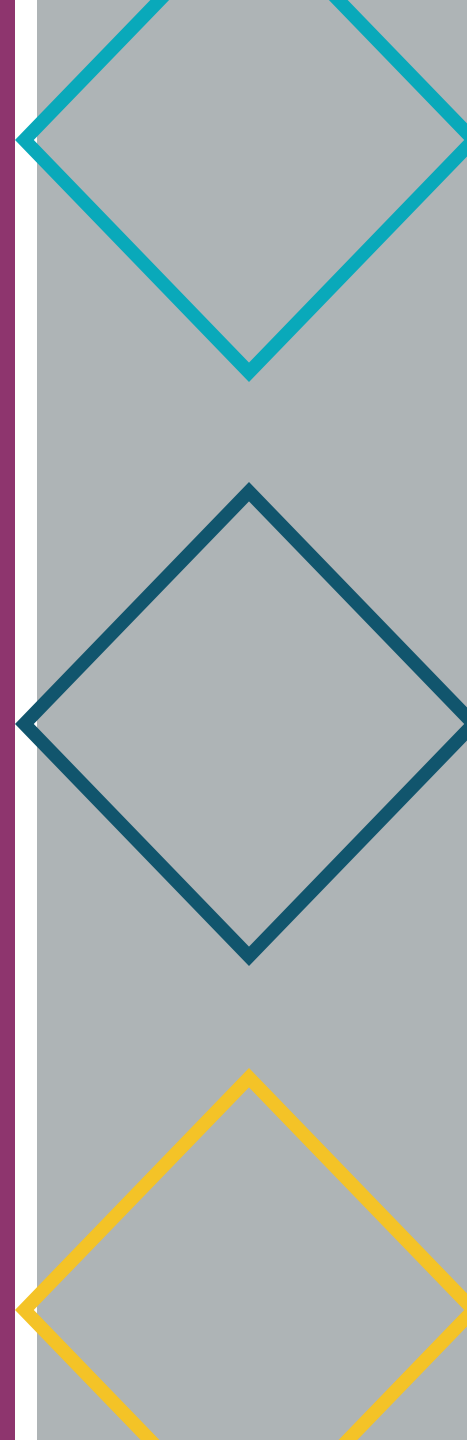
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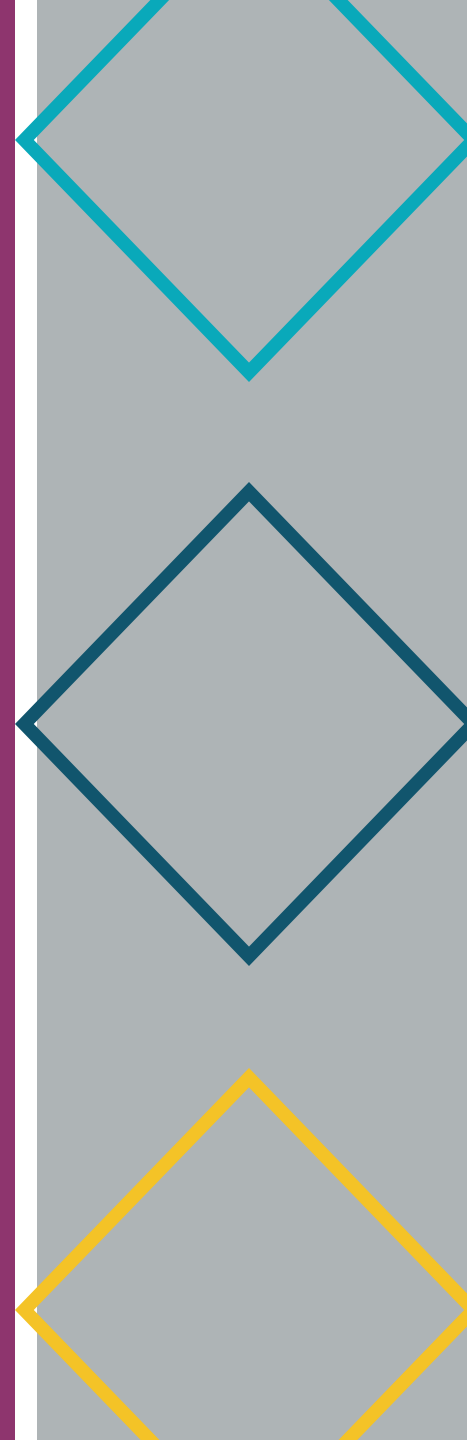


# HUB



# Agenda

- ❖ Property Insurance
- ❖ Inland Marine/Equipment
- ❖ Valuation
- ❖ Commercial General Liability
- ❖ Crime Coverage
- ❖ Bonds/Surety
- ❖ Commercial Automobile
- ❖ Workers Compensation
- ❖ Public Officials/Employment Practices Liability
- ❖ Cyber Liability
- ❖ Excess Liability

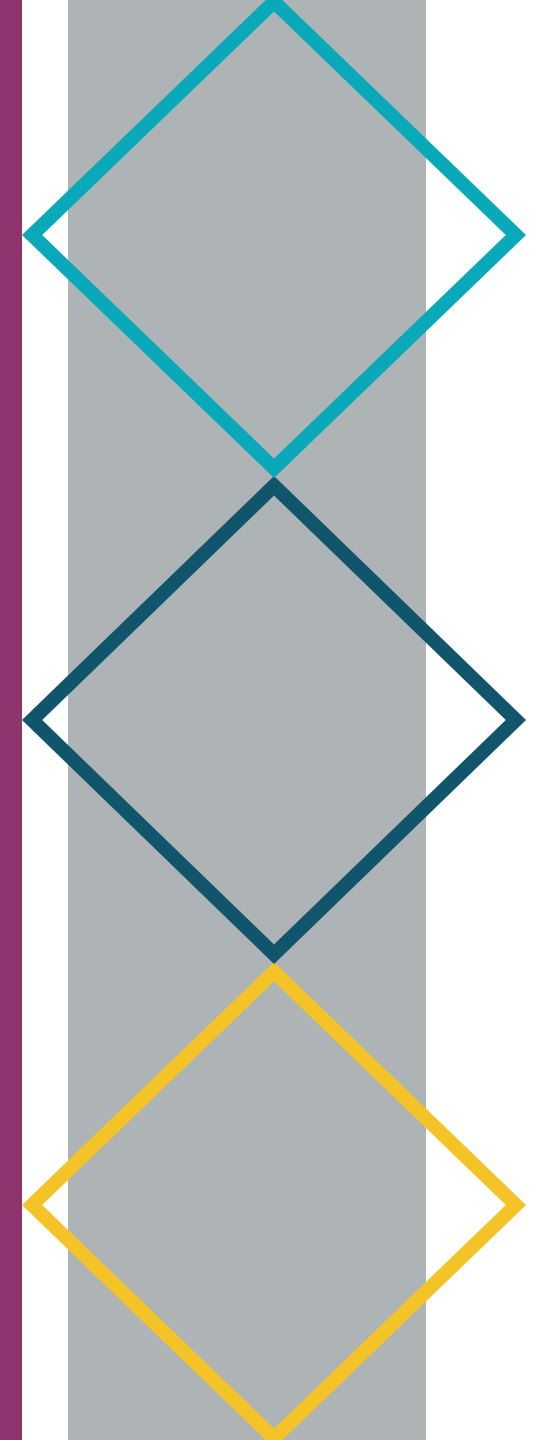


# Property Insurance

For all owned and leased property

Examples of covered property:

- Real Property (land, plus anything attached to it, growing on it, erected on it)
- Playground Equipment
- Salt Sheds
- Sewer/Water Treatment Plants (including all machinery, equipment, and underground piping associated with plant operations)
- Business Personal Property (desks, chairs, kitchen appliances)
- Recreation Complexes (including pools)
- Traffic Signals



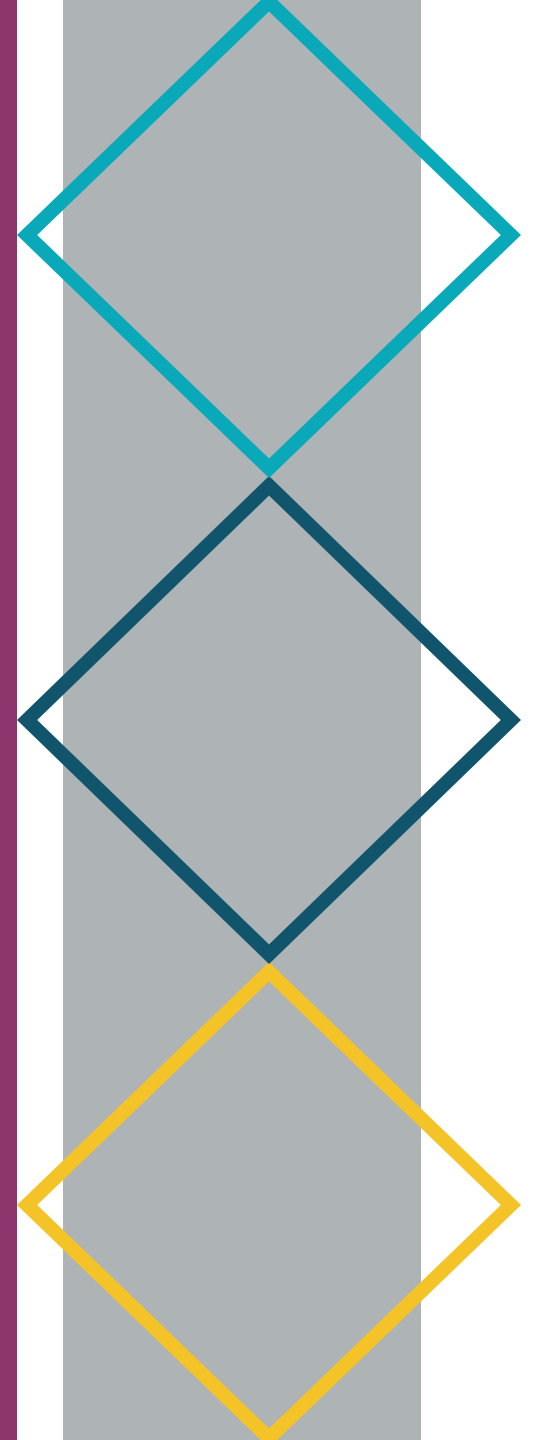
# Property Insurance: Special Perils

**Form:** provides coverage for “all risks of physical loss except what is specifically excluded by the policy form.”

## Common Exclusions:

- Floods, Water, Mudslides
- Earthquakes, Earth Movement
- Actions of Government (such as seizure of property assets)
- Nuclear Events
- Utility Services
- War
- Fungus, Rot, Bacteria

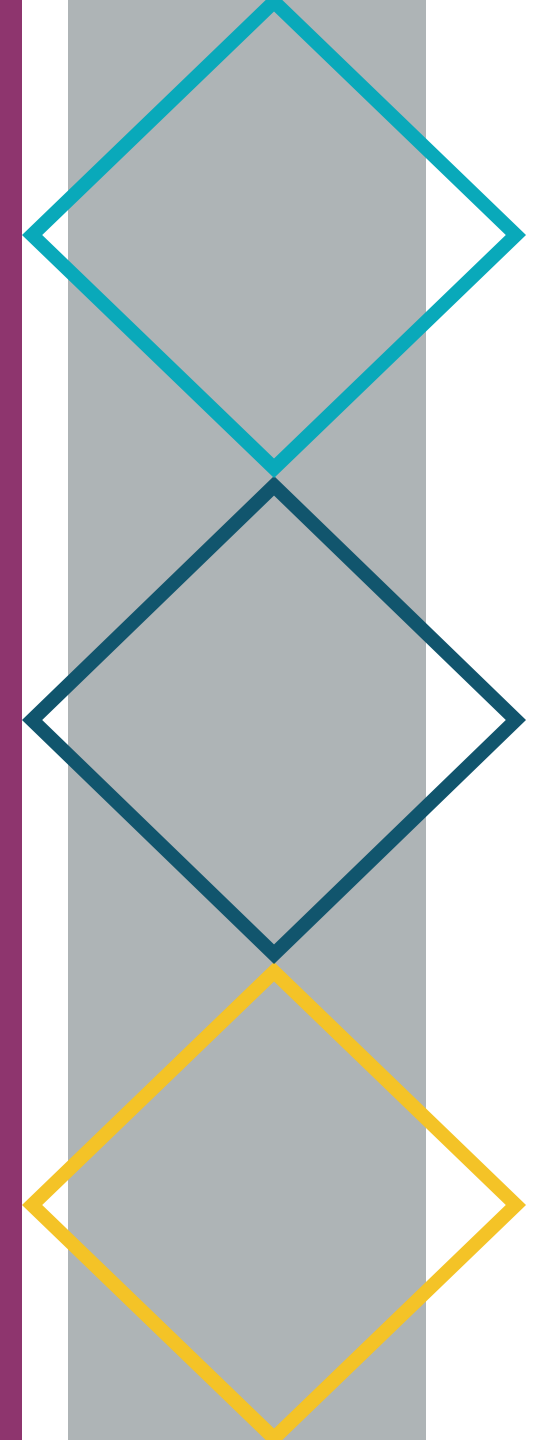
(A separate policy or endorsement must be purchased if coverage for any of these is specially needed.)



# Business Interruption/Extra Expense Coverage

**Loss of Income** coverage protects insured's loss of income if operations are interrupted due to a covered loss to building(s) or contents. Also covers loss of income sustained during restoration period, up to the policy limits.

**Extra Expense** coverage protects insured from additional expenses incurred if operations are interrupted **due to a covered loss to building(s) or contents**, provided expense is necessary to minimize downtime and continue operations. Also covers extra expenses (over and above normal operating expenses) incurred during restoration period, up to policy limits.

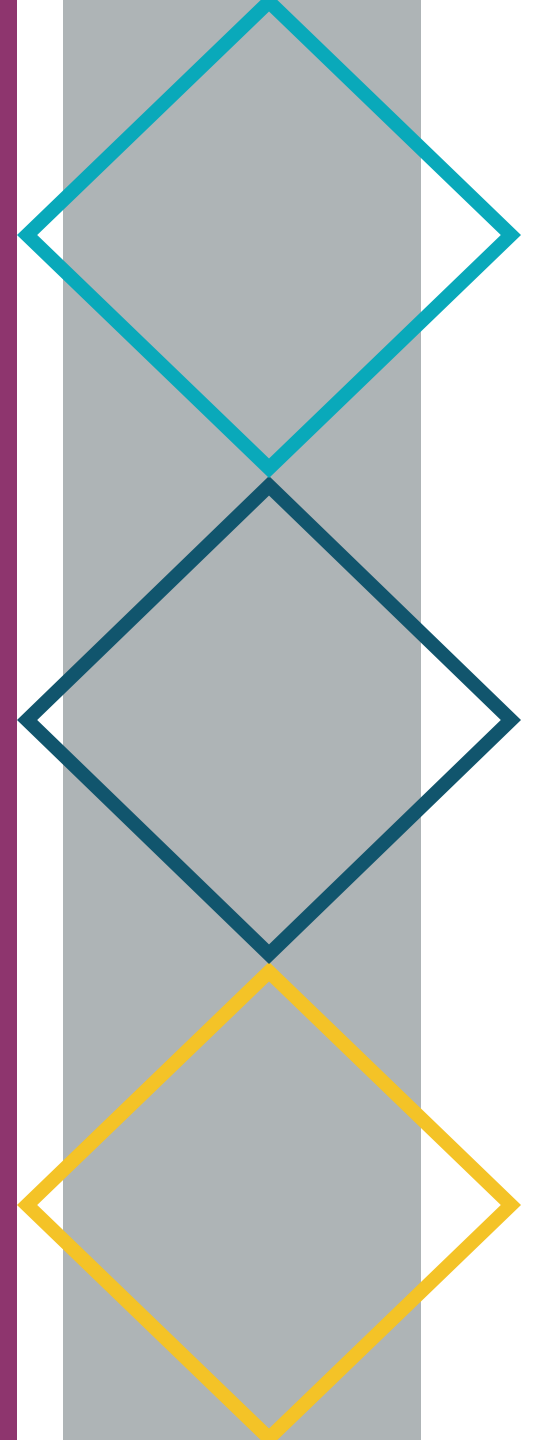


# Inland Marine/Equipment

Generally, applies to moveable equipment

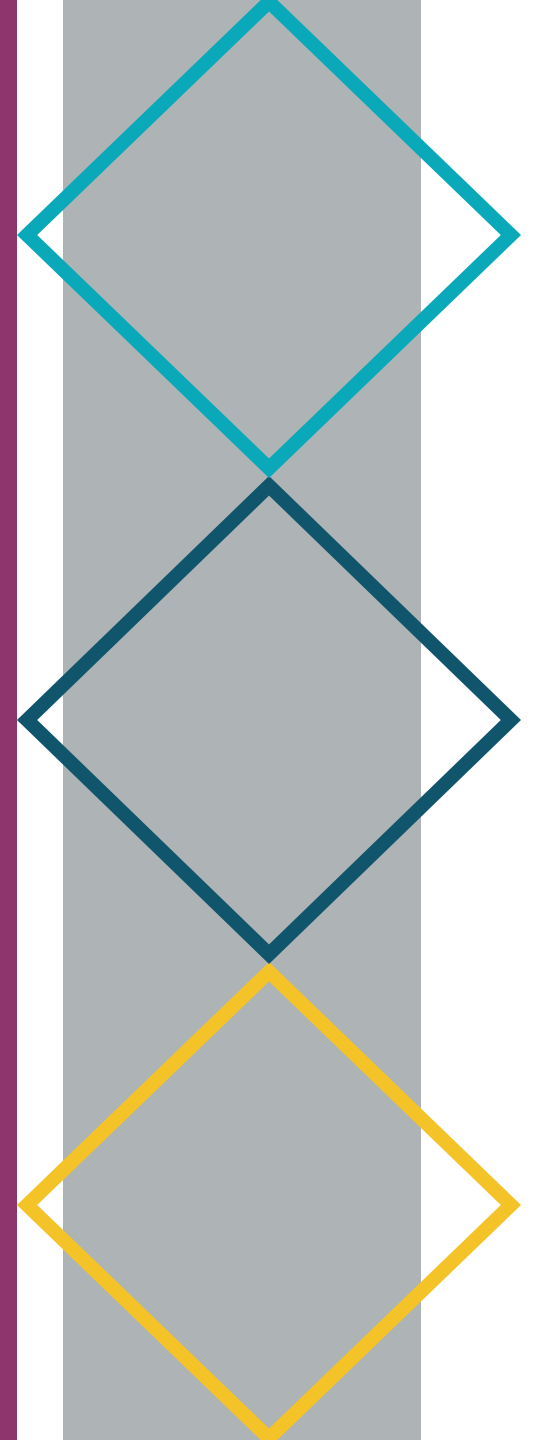
## Examples of Covered Property:

- Contractors' Equipment
- VFD Emergency Equipment (turnout gear, gas masks)
- Police Equipment (guns, tasers, speed detection signs)
- Trailers, Mowers, Snowplows
- Drones
- Short-term Leased or Rented Equipment



# Inland Marine/Equipment: Covered Perils

Generally, the same as for Property Coverage, except many forms include the additional perils of floods and earthquakes.

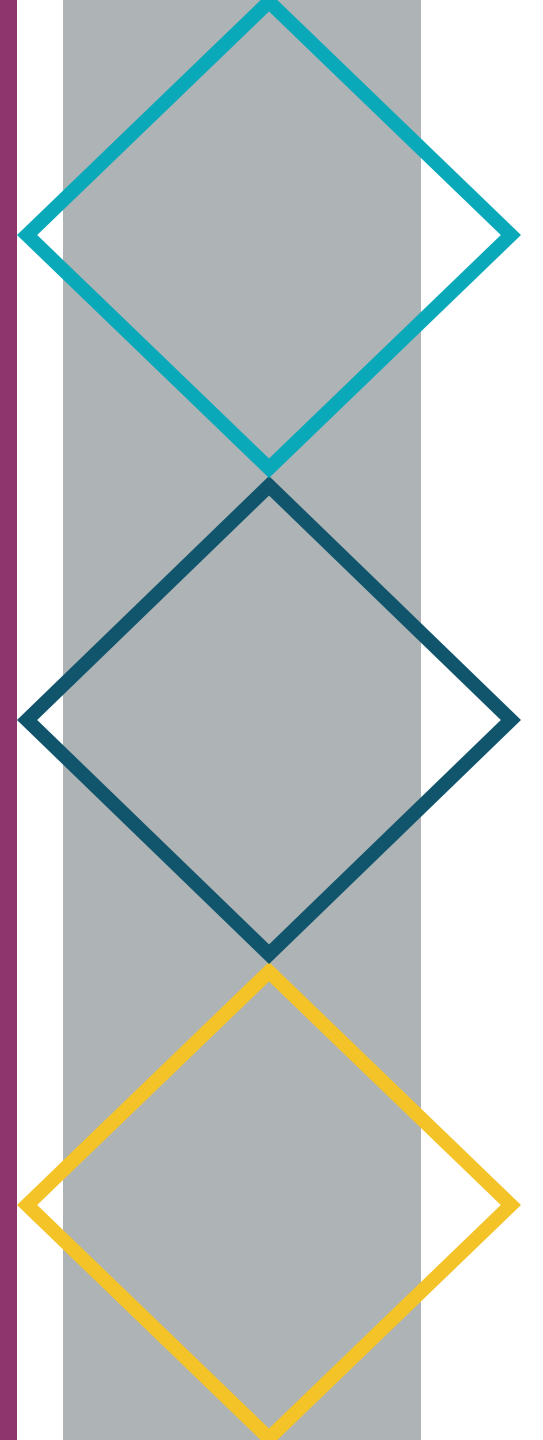


# Valuation: Applies to both Property and Inland Marine Coverage

ACV = Replacement Cost less the cost of depreciation

RC = Replacement Cost Value (“new for old”)

Functional Replacement Cost – pays to replace property with similar property intended to perform the same function, when replacement with identical property is impossible or not practical.

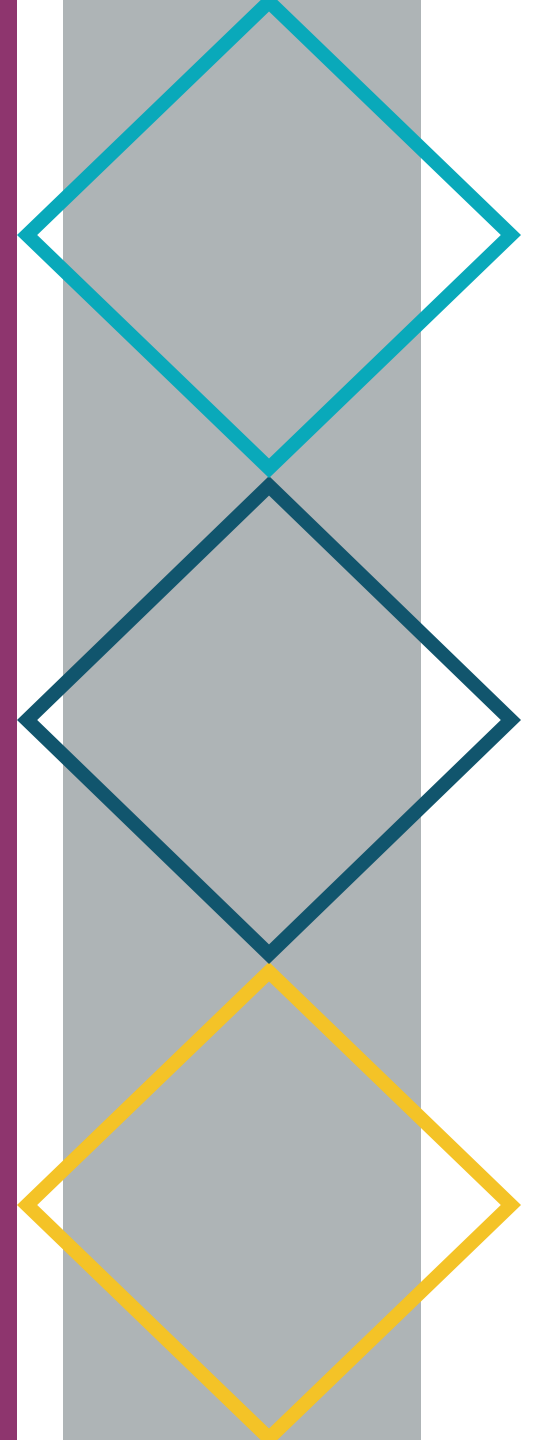


# Commercial General Liability

Protects insured from losses or lawsuits involving damage or injury to a 3rd party.

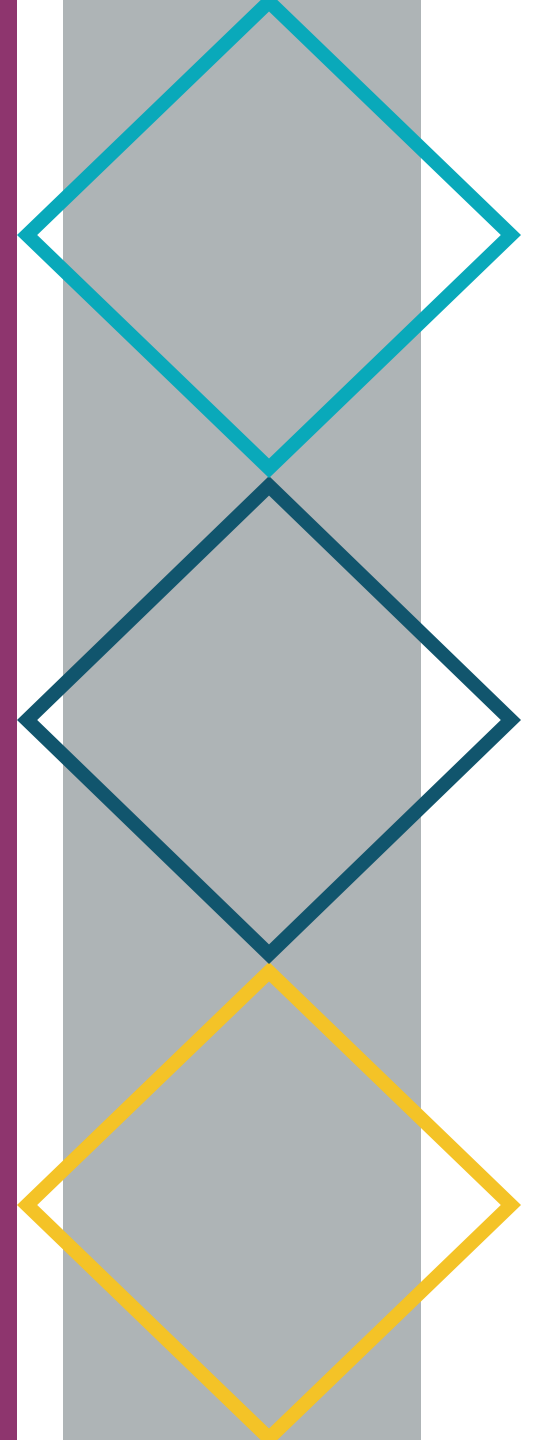
## Examples of Coverage:

- Bodily Injury
- Property Damage
- Products, Completed Operations
- Personal & Advertising Injury
- Medical Payments
- PA Political Subdivisions Tort Claims Act provides some immunities and limitations benefitting municipalities in our Commonwealth.



# Commercial General Liability: Common Exclusions

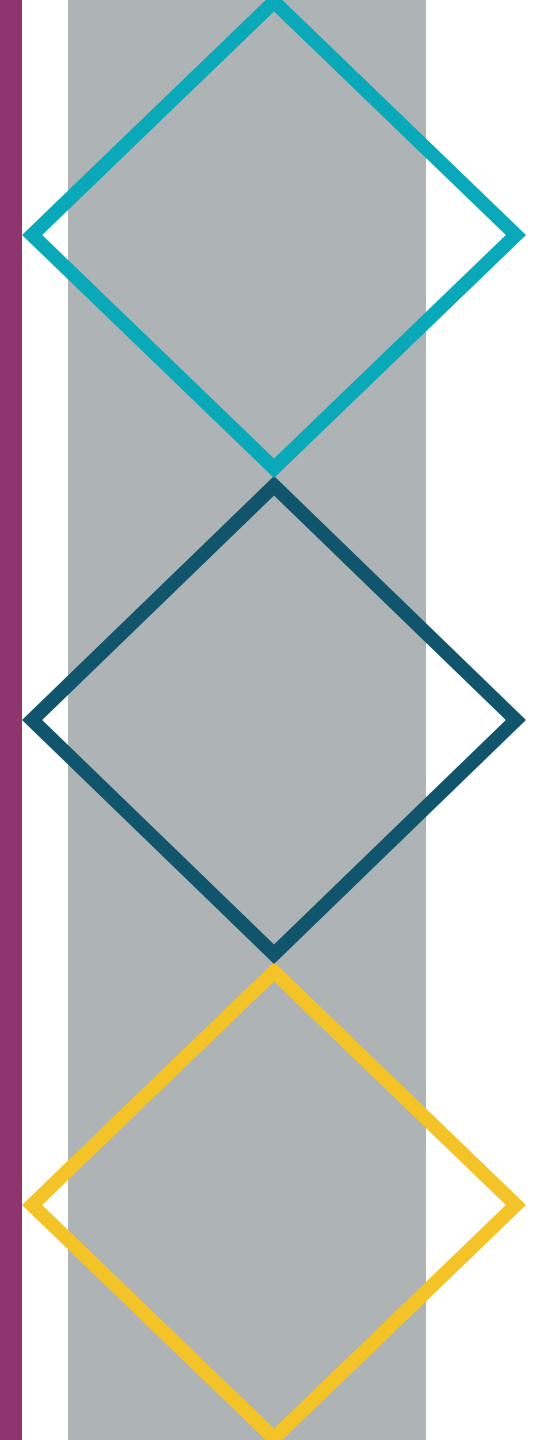
- Liquor Liability
- Workers Compensation
- Pollution Liability
- Aircraft, Autos or Watercraft
- War
- Communicable Diseases
- Lead, Asbestos
- Cyber Liability – must be purchased separately
- Professional Liability such as Public Officials, Employment Practices, Police Professional – must be purchased separately
- Sexual Abuse & Molestation: important for an entity working with minors



# Crime Coverage

May Include One or More of the Following

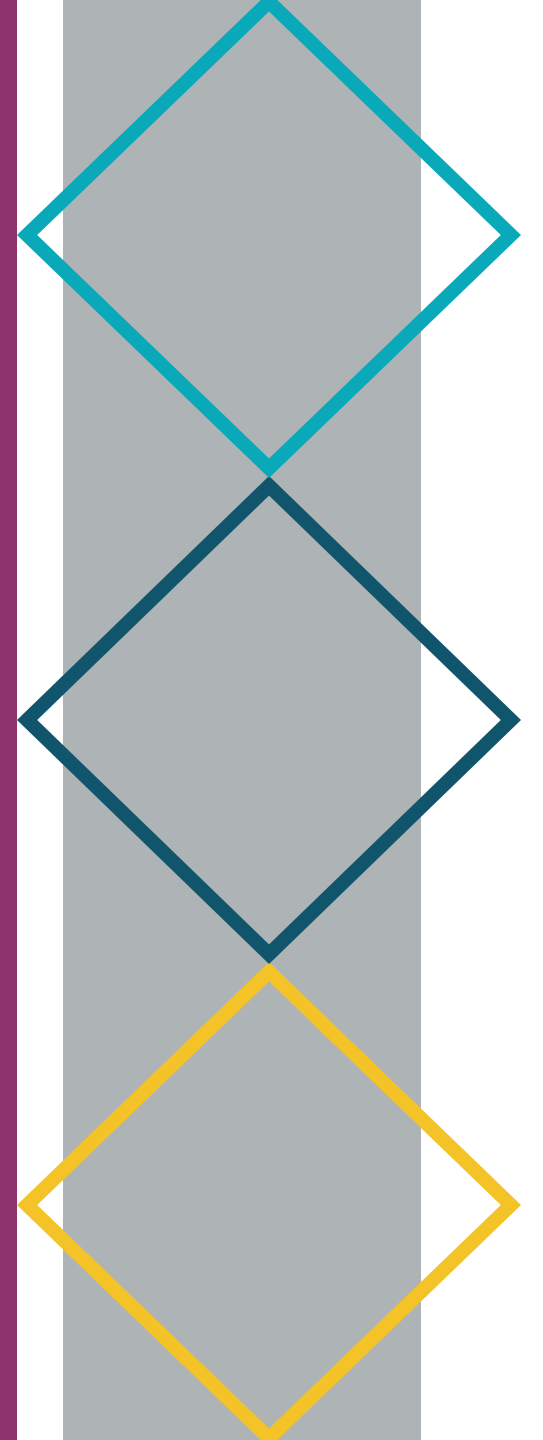
- Employee Dishonesty – provides reimbursement for the loss of money or other property resulting from dishonest acts of employees or volunteers. Treasurers & Tax Collectors are excluded from most forms; a separate bond may need to be purchased. Municipal entities receiving grant funding are nearly always required to carry this coverage by the grantor.
- Forgery or Alteration
- Robbery or Safe Burglary



# Crime Coverage (continued)

May Include One or More of the Following

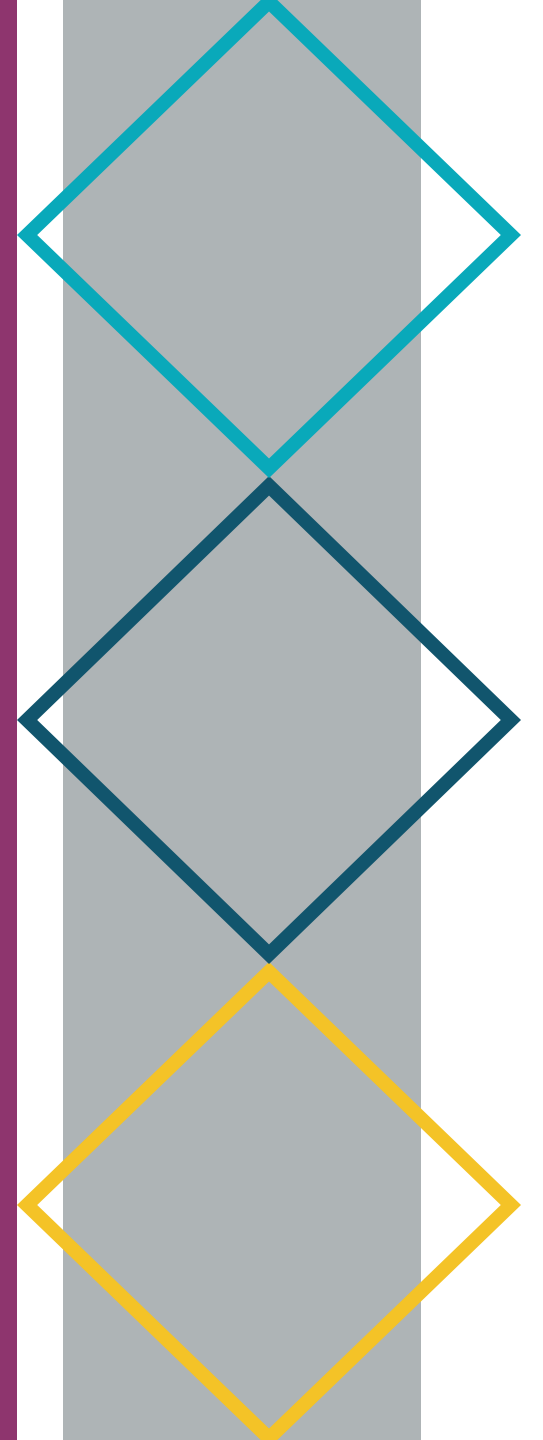
- Computer & Funds Transfer Fraud – provides coverage for loss of money due to fraudulent instruction to transfer funds from a financial institution without the insured's knowledge or consent.
- Money Orders, Counterfeit Papers
- Fraudulent Impersonation



# Bonds/Surety

Similar to Crime Coverage, but covered individuals are underwritten or rated based on their own personal creditworthiness.

Most public organizations will require a Treasurer or Tax Collector to be separately bonded.



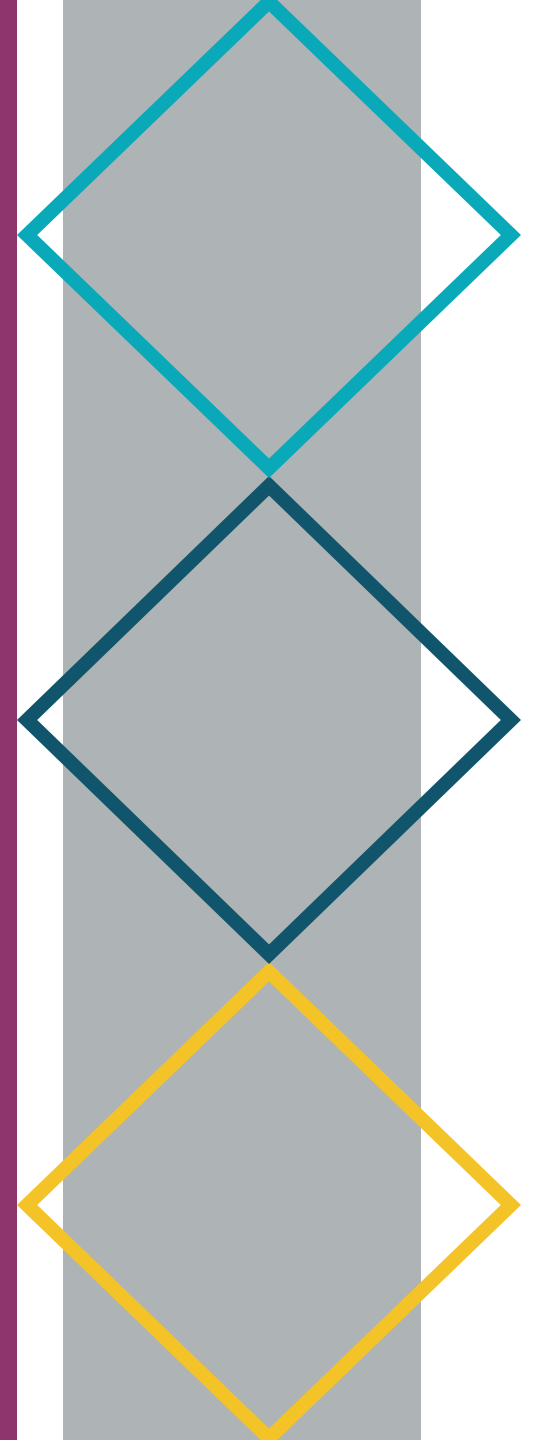
# Commercial Automobile

Coverage usually includes Auto Liability Coverage (Bodily Injury and Property Damage to others) and/or Auto Physical Damage (Comprehensive and Collision). Coverage applies to all employees and/or anyone using a covered vehicle with permission.

## Coverage may also include:

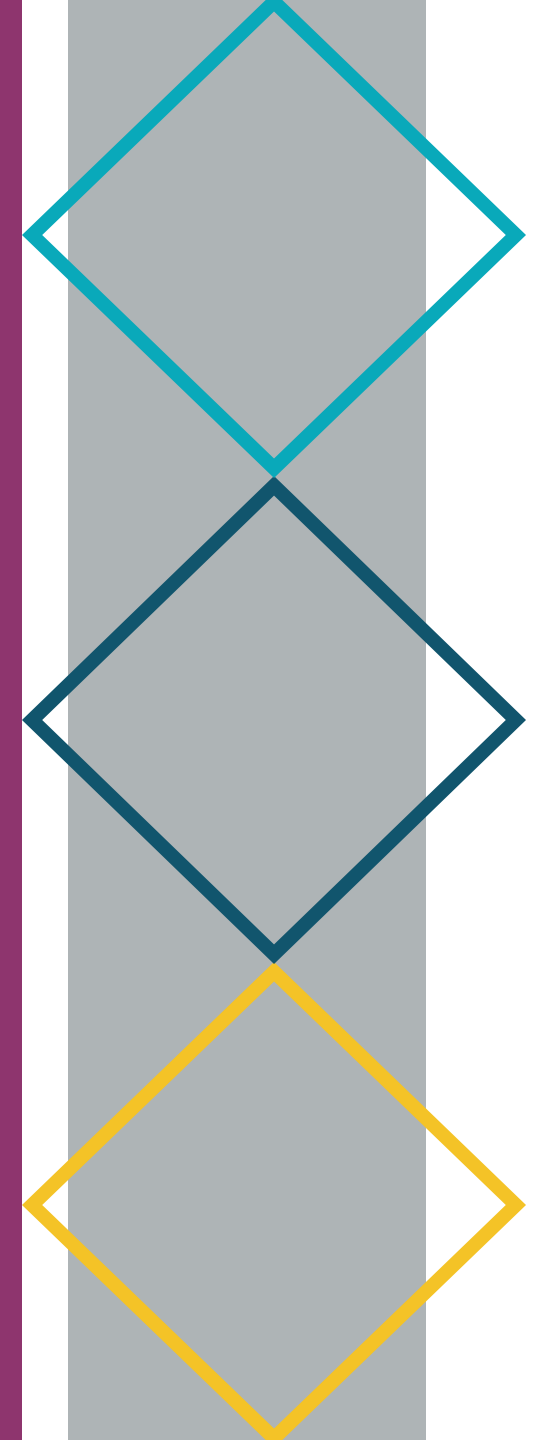
- Transportation Expense (rental car coverage)
- Towing
- Loss of Use
- Medical Payments, Work Loss, Funeral Expenses (but these vary by state)

*Note that street sweepers are almost always covered under “Automobile” but some carriers identify them as “Mobile Equipment”.*



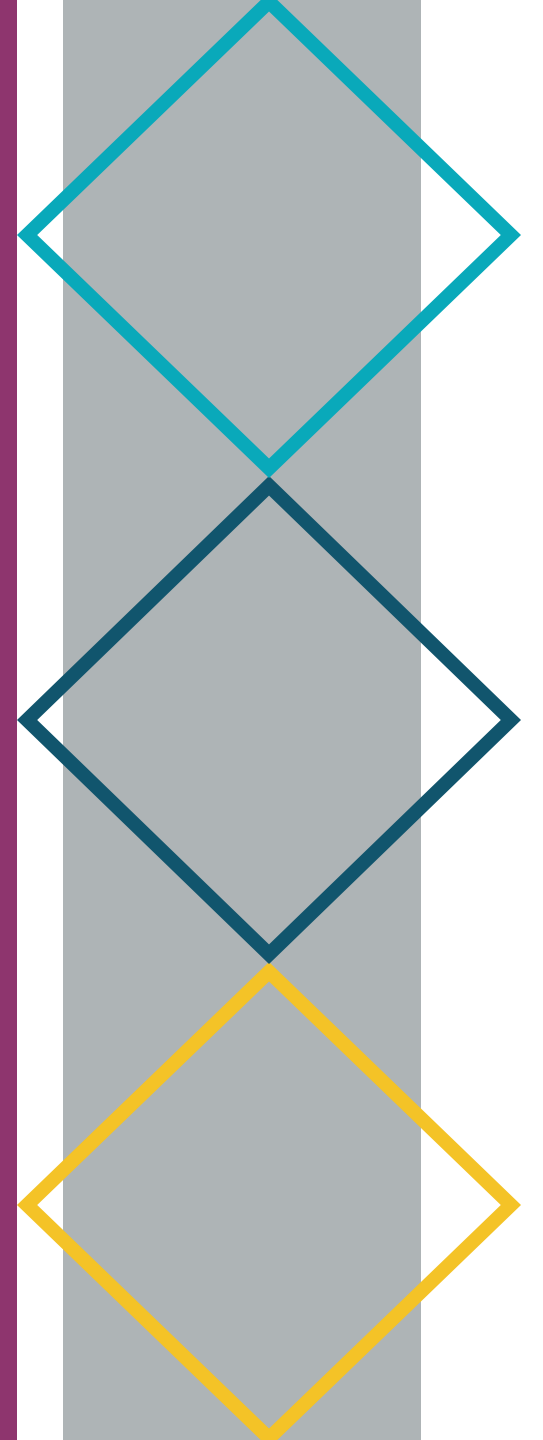
# Workers Compensation

- Coverage is required by law and provides protection for an employee injured due to work-related activity.
- Premium is determined by payroll classification multiplied by the rate charged by the insurance company (rates vary by carrier.)
- Another consideration that may affect the premium is the **Experience Modification Factor**, which is determined by the organization's claims experience. The Experience Mod can either increase or decrease your premium.



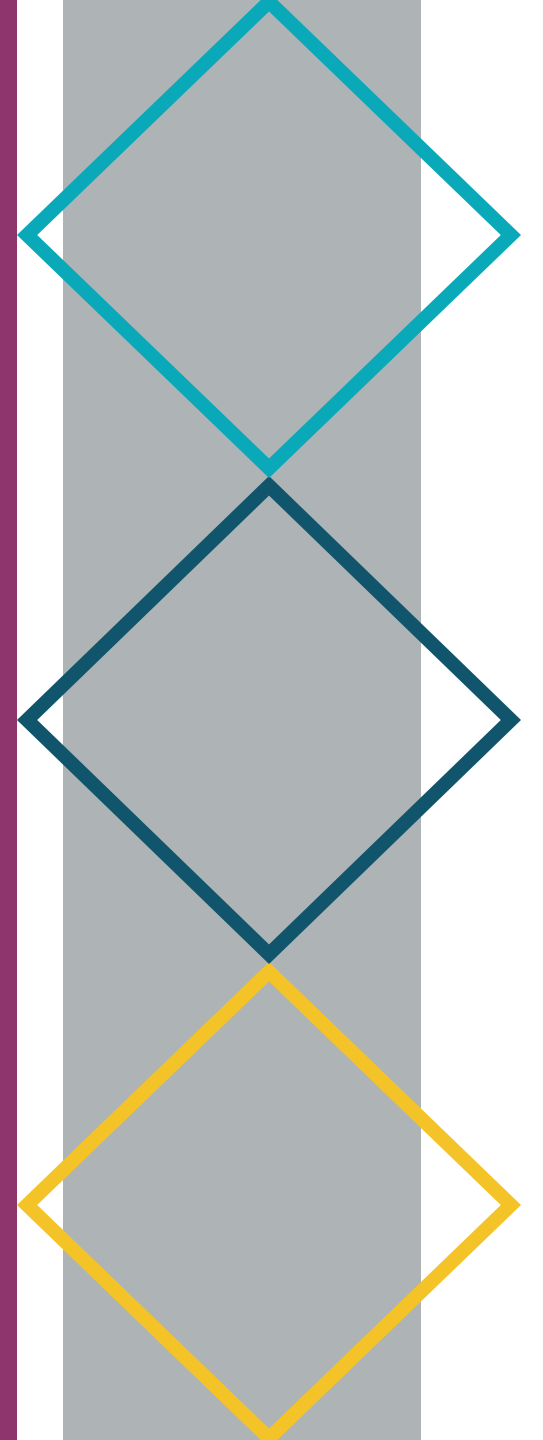
# Public Officials/Employment Practices Liability Coverage

- Protects elected public officials or appointed board members against lawsuits alleging a wrongful act or employment practices offense while serving in their capacity.
- Also referred to as Professional Liability or Directors and Officers/Officials (D&O) Liability.
- Coverage also provides protection to the organization against lawsuits for actions such as wrongful termination, discrimination, refusal to promote/hire etc.



# Cyber Liability Coverage

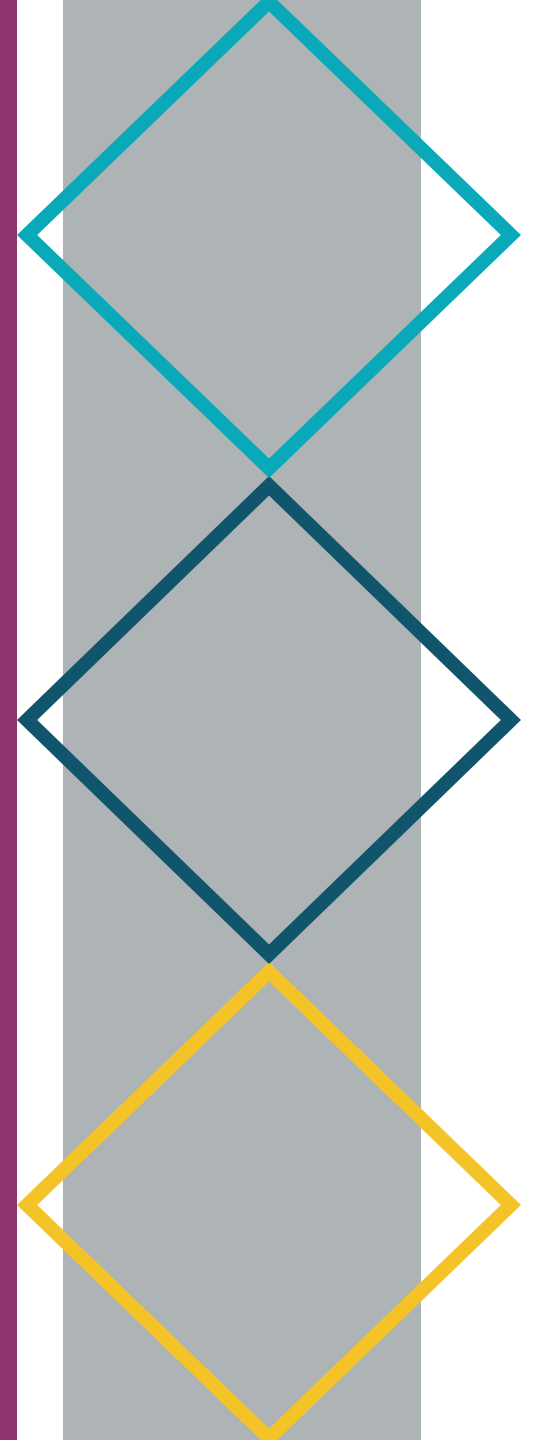
Policy forms vary by carrier; coverage protects the insured against claims for monetary damages arising out of an electronic information security event.



# Cyber Liability Coverage (continued)

These policies are intended to cover:

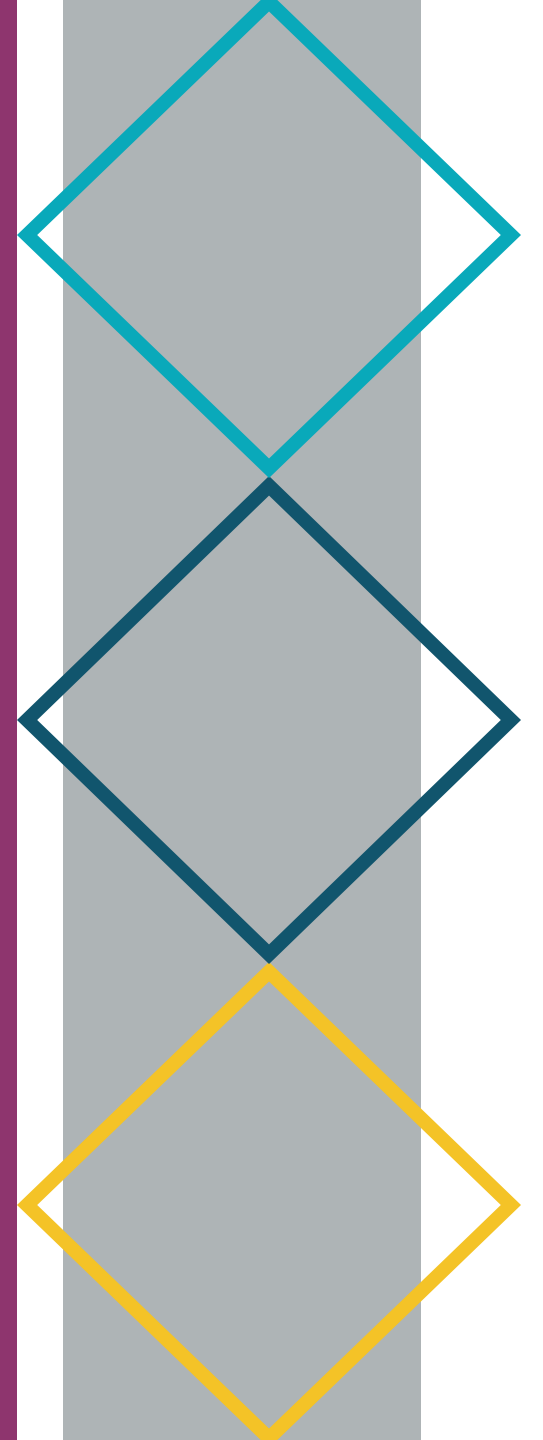
- Cyber Incidents
- Legal and Regulatory Costs
- Security and Forensic Costs
- Crisis Communication Expenses
- Privacy Breach Management Costs
- 3<sup>rd</sup> Party Privacy Breach Costs
- Post-Remediation Costs
- Electronic Theft of Financial Assets
- Cyber Extortion – reimburses for expenses incurred due to a cyber extortion threat
- System Damage Including Business Interruption



# Excess Liability Coverage

Protects the insured with excess limits above those of scheduled underlying liability insurance.

Excess coverage will apply once the scheduled underlying policies have been exhausted.





# Upcoming webinars

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March 13, 2025: COGs Rock!  
Success Stories from the Field

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April 17, 2025: What's Up in  
Harrisburg? A Legislative  
Update from the Spring Session

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May 15, 2024: From Surviving  
to Thriving, Great Ideas for  
Making Ends Meet



## FOR MORE INFORMATION

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