



# MODESTO SCHOOLS INSURANCE POOL

FOR:  Modesto City Schools     Stanislaus Union School District     Sylvan Union School District  
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TO: Debra M. Hendricks, Superintendent, Sylvan Union School District

FROM: George H. Linn, Director I, Risk Management *GL*

SUBJECT: Approval of 2017/18 Liability and Property Insurance Package

DATE: 09/06/2017

Insurance coverages and premiums have been negotiated for the next policy year of October 1, 2017 through September 30, 2018.

## Summary

The insurance package totals \$211,778 and reflects an increase of \$15,883 (8.11%) above this year's cost of \$195,895.

The general liability carrier will be Great American Insurance Company. The property and boiler and machinery coverages will be provided by the Travelers Insurance Company. National Union Fire Insurance Company of PA will issue the Faithful Performance (Crime) coverage.

## Detail

### A. Liability

- |                 |  |
|-----------------|--|
| (1) Coverage    | - General Liability (including errors and omissions) |
| Carrier         | - Great American Insurance Company (AM Best A+, XIV) |
| Policy Limit    | - \$5,000,000 total                                  |
| Deductible      | - \$125,000 per occurrence                           |
| 2017/18 Premium | - \$139,320  |
| Prior Premium   | - \$123,539  |
| (2) Coverage    | - Automobile   |
| Carrier         | - Great American Insurance Company                   |
| Policy Limit    | - \$5,000,000 total                                  |
| Deductible      | - \$125,000 per occurrence                           |
| 2017/18 Premium | - Included in (1) above                              |
| Prior Premium   | - Included in general liability                      |

## **B. Property**

- |     |                 |  |
|-----|-----------------|--|
| (1) | Coverage        | - Building and Contents  |
|     | Carrier         | - Travelers Insurance Co. (AM Best A+, XV)                     |
|     | Policy Limit    | - Replacement value - \$147,924,304                            |
|     | Deductible      | - \$100,000 per occurrence                                     |
|     | 2017/18 Premium | - \$65,100   |
|     | Prior Premium   | - \$65,100   |
| (2) | Coverage        | - Contractors Equipment (off road mobile)                      |
|     | Carrier         | - Travelers Insurance Company                                  |
|     | Policy Limit    | - Under Property (\$145,000,000)                               |
|     | Deductible      | - \$100,000 per occurrence                                     |
|     | 2017/18 Premium | - Included in (1) above  |
|     | Prior Premium   | - Included in property above                                   |
| (3) | Coverage        | - Computer   |
|     | Carrier         | - Travelers Insurance Company                                  |
|     | Policy Limit    | - \$10,000,000 (Under Property)                                |
|     | Deductible      | - \$100,000  |
|     | 2017/18 Premium | - Included in (1) above  |
|     | Prior Premium   | - Included in property above                                   |
| (4) | Coverage        | - Boiler and Machinery   |
|     | Carrier         | - Travelers Insurance Company                                  |
|     | Policy Limit    | - \$1,000,000  |
|     | Deductible      | - \$1,500 per occurrence                                       |
|     | 2017/18 Premium | - \$4,235  |
|     | Prior Premium   | - \$4,133  |
| (5) | Coverage        | - Faithful Performance Bond & Forgery (Crime)                  |
|     | Carrier         | - National Union Fire Ins. Co. of PA (AM Best A, XV; admitted) |
|     | Policy Limit    | - \$200,000 each   |
|     | Deductible      | - \$25,000   |
|     | 2017/18 Premium | - \$3,123  |
|     | Prior Premium   | - \$3,123  |

## **C. Other**

- |     |                     |                             |
|-----|---------------------|-----------------------------|
| (1) | Broker's Commission | - 5% - Included in premium. |
|-----|---------------------|-----------------------------|

## **Recommendations**

It is recommended the following be approved by the Board of Education:

- (1) Place the general liability and automobile liability with the Great American Insurance Company at a premium of \$139,320 for the policy year October 1, 2017 through September 30, 2018.
- (2) Place the property, including buildings and contents, and contractors' equipment, computer coverages with Travelers Insurance Company at a premium of \$65,100 for the policy year October 1, 2017 through September 30, 2018.
- (3) Place the boiler and machinery coverage with the Travelers Insurance Company at a premium of \$4,235 for the policy year October 1, 2017 through September 30, 2018.
- (4) Place the faithful performance coverage with National Union Fire Insurance Company of PA at a premium of \$3,123 for the policy year October 1, 2017 through September 30, 2018.

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