



# **Colorado Springs Urban Renewal Authority**

## **2015 Insurance Proposal**

Prepared by:

Jill Webb  
Vice President

Dianne Soto  
Commercial Account Manager

September 18, 2015

**Colorado Springs Urban Renewal Authority**  
**Your CB Insurance Service Team**

When you need to make changes to your insurance, require claim service, and/or have any other insurance-related questions, our team of qualified professionals is prepared to assist you.

<b>Insurance Questions</b>	
In the event you have a question about insurance coverage provided by your current insurance program, or possible future or projected business endeavors, please contact:	
Jill Webb	719-228-1063, or jill.webb@centralbancorp.com
<b>Daily Service and Maintenance</b>	
To make policy changes, request certificates of insurance, or ask questions regarding your insurance program during the policy term, please contact:	
Dianne Soto	719-477-4255, or dianne.soto@centralbancorp.com
<b>Claims</b>	
In the event you have a claim or a claim-related question, please contact:	
Kris Marshek, CISR, AIC	719-477-4257, or kris.marshek@centralbancorp.com
<b>Personal Lines</b>	
For questions regarding Personal Lines insurance, please contact:	
Trenda Knott	719-477-4263, or trenda.knott@centralbancorp.com
<b>Bonds</b>	
For questions regarding Bonds, please contact:	
Jason Yezek, CIC, CISR, AIS	719-477-4278, or jason.yezek@centralbancorp.com

## Colorado Springs Urban Renewal Authority Marketing Overview

Obtaining a comprehensive and competitively priced program of insurance in the market place requires more than access to the market. Past experience and creditability with markets are the foundation of a successful campaign for your company. Complete and accurate submissions with detailed specifications are essential. CB Insurance made a complete and personal presentation to each company mentioned below:

Insurance Carrier	Coverage	A.M. Best's Rating	Admitted or Non-Admitted	Quoted
ACE American Insurance Company	Public Officials/EPLI	A+, XV	Admitted	\$3,434*

\* Policy premium is same as expiring

**NOTE** If the above indicates coverage is placed or quoted with a non-admitted carrier, the carrier is doing business in the state as a surplus lines or non-admitted carrier. As such, this carrier is not subject to the same regulations which apply to an admitted carrier nor do they participate in any insurance guarantee fund which might be applicable in that state.

**Colorado Springs Urban Renewal Authority**  
**General Information**

**Named Insured:**

Colorado Springs Urban Renewal Authority

**Additional Named Insured:**

Colorado Springs Regional Tourism Act Advisory Board

**Policy Period:**

9/25/2015 – 9/25/2016

**Mailing/Location Address:**

30 S. Nevada Avenue, #502  
Colorado Springs, CO 80903

**Colorado Springs Urban Renewal Authority**  
**Public Officials and Employment Practices Liability Insurance**  
 ACE American Insurance Company  
 9/25/2015 to 9/25/2016

<b>Public Officials/Employment Practices Liability Coverage</b>	<b>Limit of Liability</b>
Each Public Officials Claim	\$ 2,000,000
Each Employment Practices Liability and Third-Party EPL Claim	\$ 2,000,000
Policy Aggregate	\$ 2,000,000

<b>Self-Insured Retention</b>	
Each Claim for Non-Indemnifiable Loss	\$ 0
Each Claim for Indemnifiable Loss and Entity Claims	\$ 10,000
Each EPL and Third-Party EPL Claim	\$ 10,000

**Terms and Conditions include, but are not limited to, the following:**  
 Claims Made and Reported Policy  
 Duty to Defend  
 Discovery  
 Extended Reporting Period Coverage available in the event carrier terminates or non-renews
 

- Additional Premium: 100% of Annual Premium
- Additional Period: 12 months

 Defense is Inside the Limit of Liability  
 Non-rescindable Public Officials Liability Insuring Agreement  
 Notice Provision Endorsement – Provides a 60 day post-policy reporting period  
 Amended Representations and Severability Provision – States that the knowledge of the Chairman of the Board or CFO (or functional equivalent) will impute to the entity

**Key Exclusions include, but are not limited to, the following:**  
 Bond Exclusion  
 Pollution Exclusion – Not applicable to Public Officials Liability Insuring Agreement  
 Conduct Exclusion – Amended to utilize final adjudication wording; also amended to state that the knowledge of the Chairman of the Board or CFO (or functional equivalent) will impute to the entity  
 Network Security or Privacy Liability Exclusion  
 Deliberate Fraudulent Act or Omission or any Willful Violation of any Statute or Regulation

**INSURANCE** Coverage provides protection against loss the insured becomes legally obligated to pay as a result of actual or alleged misstatements, misleading statements, a wrongful act, error or omission, or breach of duty, and is subject to all policy terms, exclusions and conditions.

## Colorado Springs Urban Renewal Authority

### Optional Coverages

The following is a list of other coverages you may wish to consider. This is not an all-inclusive list. CB insurance will be happy to provide a proposal on any of these coverages at your request. Additional information or applications may be needed to provide a quote. Please return this list with a check beside the coverage you wish to have quoted.

- Architects and Engineers Professional** – A form of insurance coverage that protects the insured against liability for committing an error or omission in the performance of professional duties.
- Building Ordinance or Law** – Coverage available by endorsement when a community has building ordinance(s) that states when a building is damaged to a specific extent (Typically more than 50%), and it must be completely demolished and rebuilt in accordance with current building codes rather than repaired.
- Business Income/Extra Expense** – Coverage for regular operating expenses and loss of earnings of a business caused by a covered cause of loss. Coverage is activated after a business has a covered loss and coverage ceases when the business resumes normal operations.
- Computer Fraud** – Covers theft of money, securities, or property using a computer to transfer covered property from the insured's premises or bank to another person or place.
- Contingent Business Interruption** – Covers the insured's business interruption loss caused by damage to the property of a key supplier or customer, or to a lead location (a nearby business that attracts customer to the insured's business).
- Cost Containment Certification** – Applicable to Workers' Compensation.
- Cyber Liability** – Coverage for damages to first and/or third parties caused by breach of security. If a company collects, stores or transmits data it could be exposed to this type of loss.
- Design Build Professional** – A form of insurance coverage that protects the insured against liability for committing an error or omission in performance of professional duties.
- Directors and Officers Liability** – Insures corporate officers and directors against claims, usually by stockholders or employees, alleging loss arising from mismanagement.
- Earthquake** – This coverage is typically excluded from property policies. It can be endorsed on to some policies and/or is written as a separate policy, which provides coverage for damage to property resulting from the effects of an earthquake.
- Employee Benefits Liability** – Coverage that responds to administrative errors in handling of employee benefit plans.
- Employee Dishonesty** – Coverage for employee theft of money, securities, or property, written with either a per loss limit, a per employee limit, or a per position limit. You must be willing to file charges against the alleged party to activate coverage.
- Employment Practices Liability** – Coverage for employment related wrongful acts including but not limited to wrongful termination, discrimination and harassment.

## Colorado Springs Urban Renewal Authority

### Optional Coverages (continued)

- ERISA Compliance** – Coverage required for all individuals who handle plans funds or other plan assets to be bonded by the Employee Retirement Security Act pertaining to employee welfare and/or pension benefits plan. Protection from fraudulent and dishonest acts (stealing assets from the plan). Plans are required to be insured for at least 10% of the plans assets or \$500,000, whichever is less.
- Equipment Breakdown** – Coverage for loss caused by mechanical or electrical equipment breakdown, including damage to the equipment, damage to other property of the insured, and damage to property of others.
- Fiduciary Liability** – Coverage for claims alleging breach of fiduciary duties as defined by ERISA including but not limited to: improper interpretation of plan documents, improper disclosure to plan participants, improper calculation of benefits, wrongful termination of plan, insufficient funding of plan, misrepresentation, administrative errors, and imprudent investment decisions.
- Flood** – This coverage is typically excluded from property policies. It can be endorsed on to some policies and/or is written as a separate policy, which provides coverage for damage to property resulting from the effects of a flood.
- Forgery or Alteration Coverage** – Insures against loss caused by forgery or alteration of outgoing drafts, checks, promissory notes, and similar instruments drawn against an insured's account.
- Higher Limits of Liability** – (Umbrella, Workers' Compensation, Directors & Officers, Employment Practices, Etc.)
- Jobsite Pollution** – Coverage that may be endorsed to your policies and/or is written as a separate policy, which provides cleanup costs associated with pollution.
- Key Man** – Life insurance owned by the firm on the life of a key individual that will in the event of his or her death, offset a loss in earnings and provide the funds necessary to find, hire and develop a replacement. It is designed to offset losses resulting from the death of a key person, such as reduced sales interruption or a vital research project, flow of production, or an impaired credit standing.
- Kidnap/Ransom** – Specialty crime coverage that insures against loss by the surrender of property as a result of a threat of harm to the named insured, an employee, or a relative or guest of the insured or the insured's employees.
- Molds, Fungus or Spores Pollution** – Coverage that may be endorsed to your policies and/or is written as a separate policy, which provides cleanup costs associated with infestation of molds, fungus or spores.
- Terrorism** – Specialty coverage that insured against loss caused by the acts of terrorists. This coverage is typically excluded from policies. Coverage may be available by endorsement or a separate policy may be provided.
- Wrap-ups** – owner or contractor controlled insurance programs.

## **Colorado Springs Urban Renewal Authority**

### **Disclaimer**

The information contained in this document is proprietary information and should be considered confidential and is intended solely for use by the individual or entity to which it is addressed. Copying, disseminating or disclosure of this information to others is not permitted and the recipient should destroy the document immediately.

We are pleased to provide you with this proposal. This is a convenient coverage summary not a legal contract. This proposal is provided to facilitate your understanding of your insurance program. Please refer to the actual policies for specific terms, conditions, limitations and exclusions that will govern in the event of a loss.

In evaluating your exposures to loss, we have been dependent upon information provided by you. Values insured are ultimately chosen by you. If there are other areas that need to be evaluated prior to binding of coverage, please bring these areas to our attention. Should any of your exposures change after coverage is bound such as beginning new operations, hiring employees in new states, buying additional property, etc., please contact us immediately so proper coverage(s) can be discussed. Higher limits may be available at your request.

While we will strive to place your insurance with reputable, highly rated companies, we cannot guarantee the financial stability of any insurance company.

**This proposal is valid until 9/25/2015.**

***This is not a binder of insurance.***



## **Colorado Springs Urban Renewal Authority**

### **Claims Made Notice, Key Exclusions Disclaimer, and Communication Procedures**

#### **CLAIMS MADE**

“Claims Made” policy provides coverage only for loss or wrongful acts occurring after the policy retroactive date (if any) and applies only to claims that are made or claims that are made and reported against the insured during the policy period.

- Retroactive Date - Means the earliest date a loss or wrongful act may be committed and be covered under the policy.
- Coverage Requirements - For coverage to apply under the claims made policy:
  - 1) Coverage must be in place at the time the claim is made against the insured;
  - 2) Notification of the claim must be made to the carrier in written form within the policy period or during the extended reporting period, which could be 30, 45 or 60 days after the policy has expired; and
  - 3) The claim must be covered by the policy’s terms, conditions, and limitations.
- Changing Your Insurance Carrier/Renewing Your Policy - When changing carriers or renewing claims made policies, you should advise and discuss any potential claims or circumstances with your Broker prior to making any decision to change carriers.

#### **KEY EXCLUSIONS**

CB Insurance, LLC has identified “Key Policy Exclusions” for this proposal/summary which reflect the most relevant limitation under specific coverage section. It is not intended to be a comprehensive list. You should reference your policy for specific language for all exclusions that are applicable to each specific coverage section.

#### **COMMUNICATION PROCEDURES**

In order to ensure that your important changes are properly communicated, the binding or altering of coverage must be confirmed by agency personnel.

## **Colorado Springs Urban Renewal Authority**

### **Terrorism Risk Insurance Act**

The Terrorism Risk Insurance Act, signed into law November 26, 2002 and extended with revisions on January 1, 2015, requires U.S. commercial property/casualty insurers to offer coverage for incidents of terrorism and described under the Act. That coverage cannot differ materially from the terms and limitation applicable to other events under a policy. The Act applies when the Secretary of the Treasury, in concurrence with the Secretary of State and the Attorney General, certifies that an event meet the definition of act of terrorism.

#### **Overview of Act of Terrorism**

The Act addresses only a defined category of terrorism losses. The federal program requires an “act of terrorism” to have the following characteristics:

- It must be a violent act or an act that is dangerous to human life, property or infrastructure.
- It must have resulted in damage within the United States, or outside the United States in the case of an air carrier or vessel described in the United States Code, or on the premises of a United States mission (e.g. an embassy or consulate).
- It must have been committed by an individual or individuals, 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.
- Effective January 1, 2016, the Federal Share of Insured losses will decrease by 1% per calendar year until it equals 80%; it is currently at 85%.
- The program trigger will increase from \$100 million to \$200 million dollars over the next five years by \$20 million increments.
- The mandatory recoupment threshold will increase from \$27.5 billion to \$37.5 billion in \$2 billion increments annually beginning in the calendar year after the date of enactment.

## Colorado Springs Urban Renewal Authority Guide to AM's Best Rating

Best's Insurance Reports, published annually by A.M. Best Company, Inc. presents comprehensive report on the financial position, history, and transactions of insurance companies operating in the United States and Canada. Companies licensed to do business in the United States are assigned a Best's Rating, which attempts to measure the comparative position of the company or association against industry averages.

Best's ratings are based on analysis, which give consideration to a number of factors of varying importance. While the analysis is believed to be reliable, we cannot guarantee the accuracy of the rating or the financial stability of the insurance company.

A copy of the Best's Insurance Report on the insurance companies is available for your review.

### A.M. BEST'S RATING CLASSIFICATIONS

Explanation of Best's Ratings	
A++ and A+ .....	Superior
A and A- .....	Excellent
B++ and B+ .....	Very Good
B and B- .....	Adequate
C++ and C+.....	Fair
C and C-.....	Marginal
D .....	Very Vulnerable
E .....	Under State Supervision
F.....	In Liquidation
NR.....	Not Rated

Financial Size based on Surplus (\$Millions)			
I	\$0 to \$1,000,000	IX	\$250,000,000 to \$500,000,000
II	\$1,000,000 to \$2,000,000	X	\$500,000,000 to \$750,000,000
III	\$2,000,000 to \$5,000,000	XI	\$750,000,000 to \$1,000,000,000
IV	\$5,000,000 to \$10,000,000	XII	\$1,000,000,000 to \$1,250,000,000
V	\$10,000,000 to \$25,000,000	XIII	\$1,250,000,000 to \$1,500,000,000
VI	\$25,000,000 to \$50,000,000	XIV	\$1,500,000,000 to \$2,500,000,000
VII	\$50,000,000 to \$100,000,000	XV	\$2,000,000,000 or more
VIII	\$100,000,000 to \$250,000,000		

**NOTE** At your option, you may wish to consult with other available rating services.

CB Insurance, LLC uses A. M. Best & Co.'s rating services to evaluate the financial condition of insurers whose policies we propose to deliver. CB insurance, LLC makes no representations or warranties concerning the solvency of any carrier, nor does it make any representations or warranties concerning the current or future rating of any carrier.

**Colorado Springs Urban Renewal Authority**  
**CB Insurance Compensation Disclosure**  
Commission Only Basis

We are pleased that you have asked CB Insurance to provide selected insurance services. The purpose of this disclosure is to explain to you how we are compensated for our work.

For the placement and service of your insurance program, CB Insurance will receive commissions based compensation from selected insurance companies and/or wholesale intermediaries. The compensation received by CB Insurance may differ depending on the product and the insurance company. CB Insurance may receive additional compensation from selected companies based upon other factors, such as the loss or claims experience of our book of business with a particular insurance company, growth in new business, retention of the business, premium volume placed with a particular insurance company or for particular lines of insurance or categories of coverage, training and technology, investments and profitability. CB Insurance may also receive interest income from monies held by us on your account until paid to cognizant insurers on your behalf. CB insurance may be reimbursed for service rendered under contract with selected premium finance companies who agree to finance your account premiums.

We are happy to provide specific additional information related to your account upon request. It is our privilege to serve you, and we want you to be comfortable with how we do business.