



**COOPERATION
COLLABORATION
COMMUNICATION**

PACOG's mission is to improve and strengthen intergovernmental cooperation in Pennsylvania.

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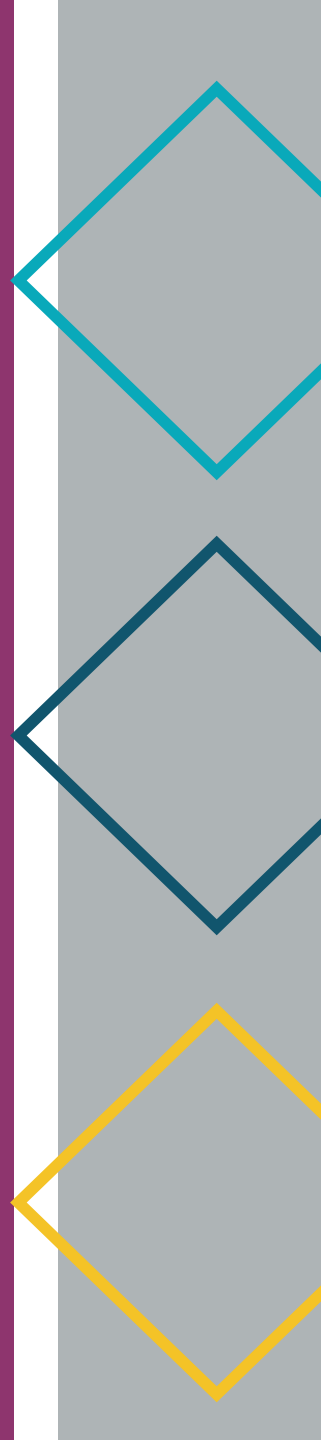


Upcoming webinars

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

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

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





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

February 20, 2025

SPEAKERS

Suzanne Chybrzynski

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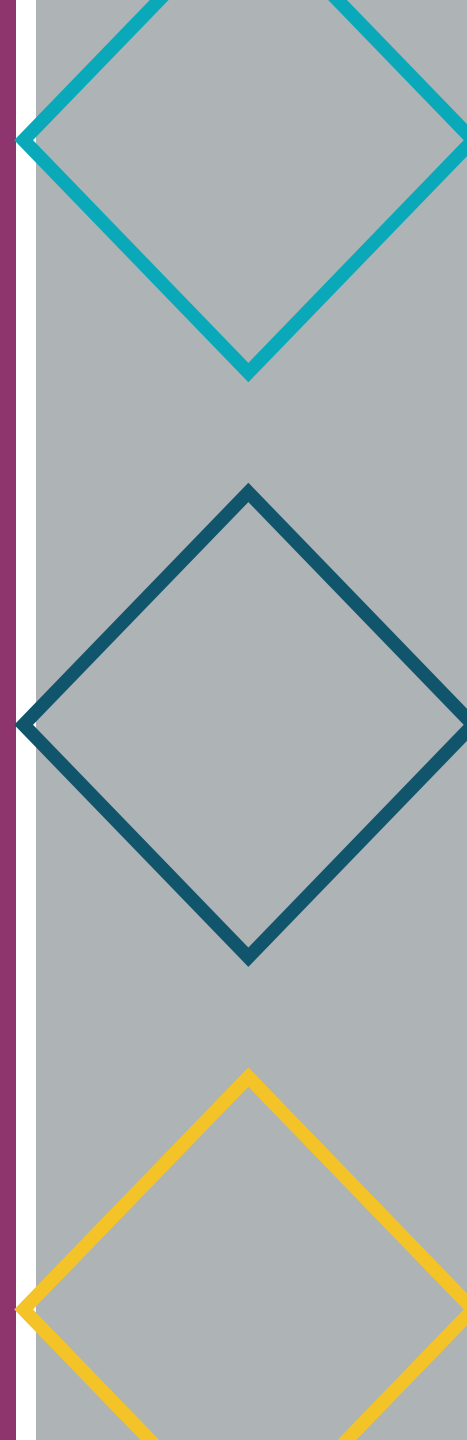
Florian Rajakovich

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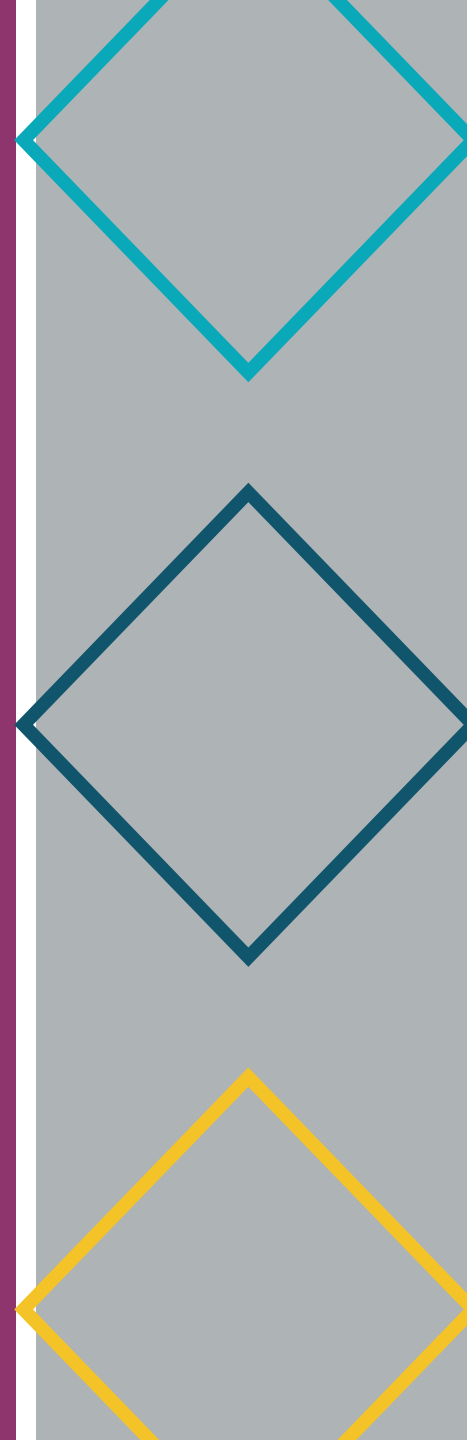


HUB



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

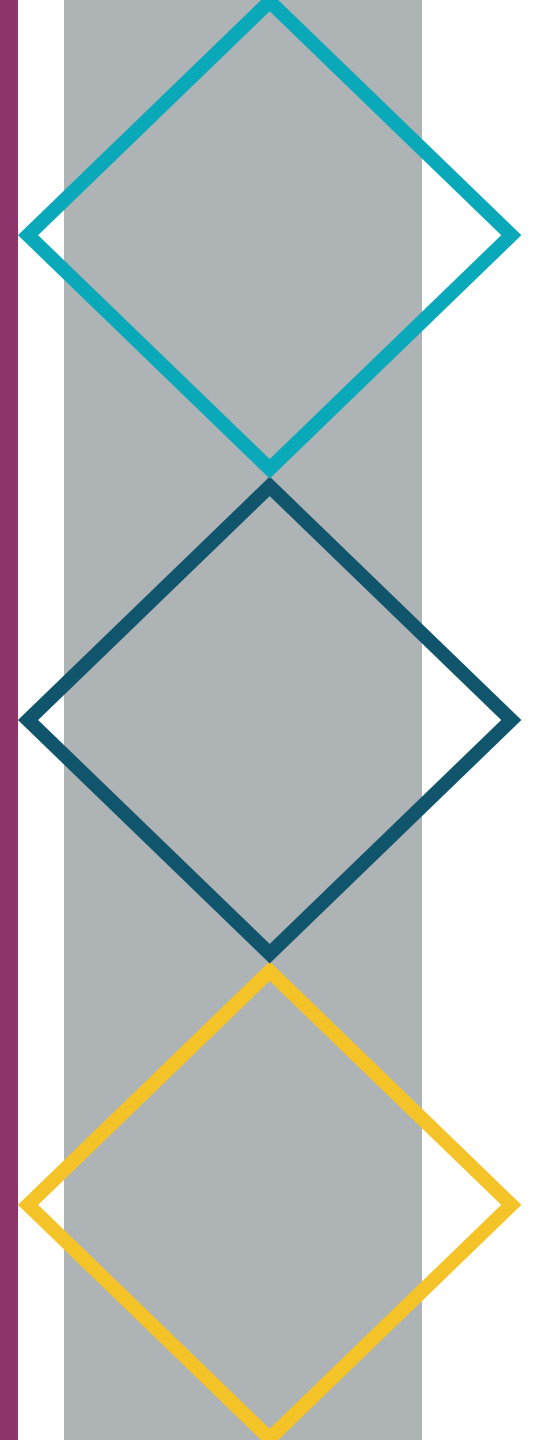


Property Insurance

For all owned and leased property

Examples of covered property:

- Real Property (buildings)
- 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



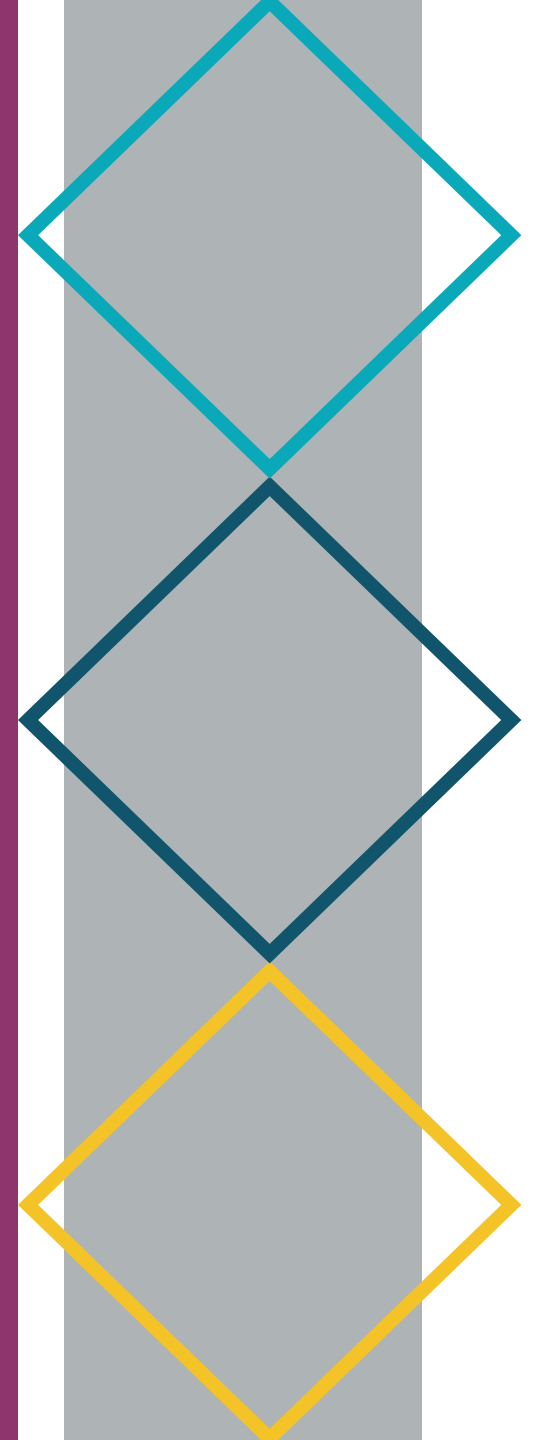
Property Insurance: Special Perils

Form: “Special 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

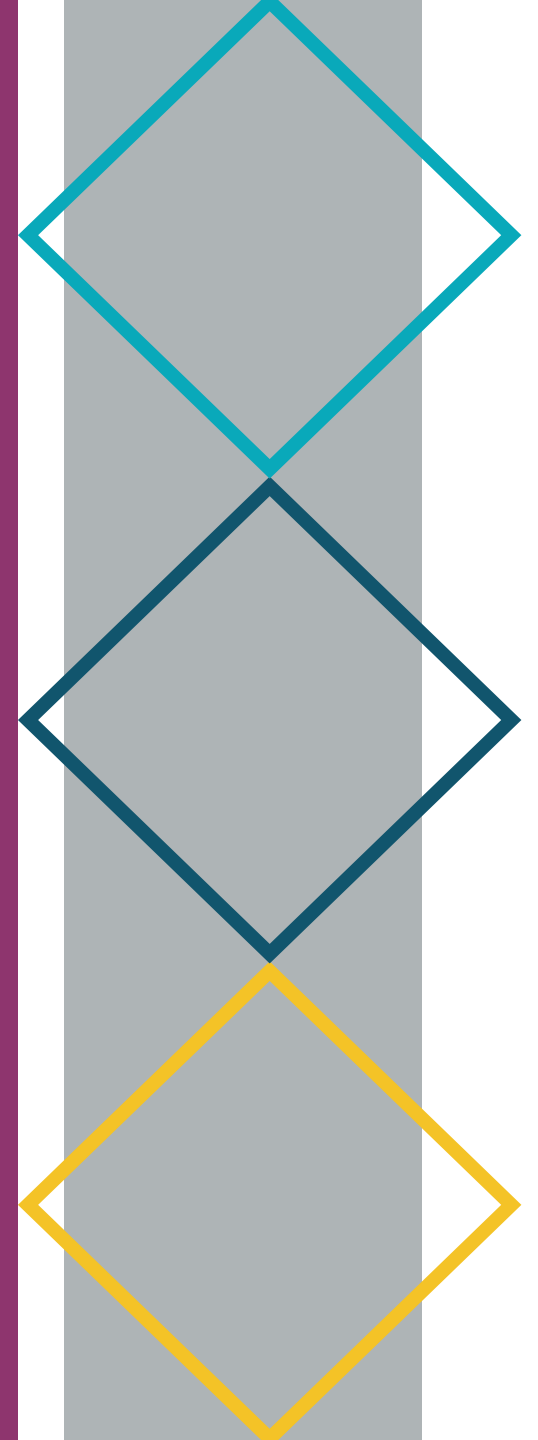
(A separate policy or endorsement must be purchased if coverage for any of these is specially needed.)



Business Interruption/Extra Expense Coverage

Loss of Income coverage protects insured's loss of income or loss of profits 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.

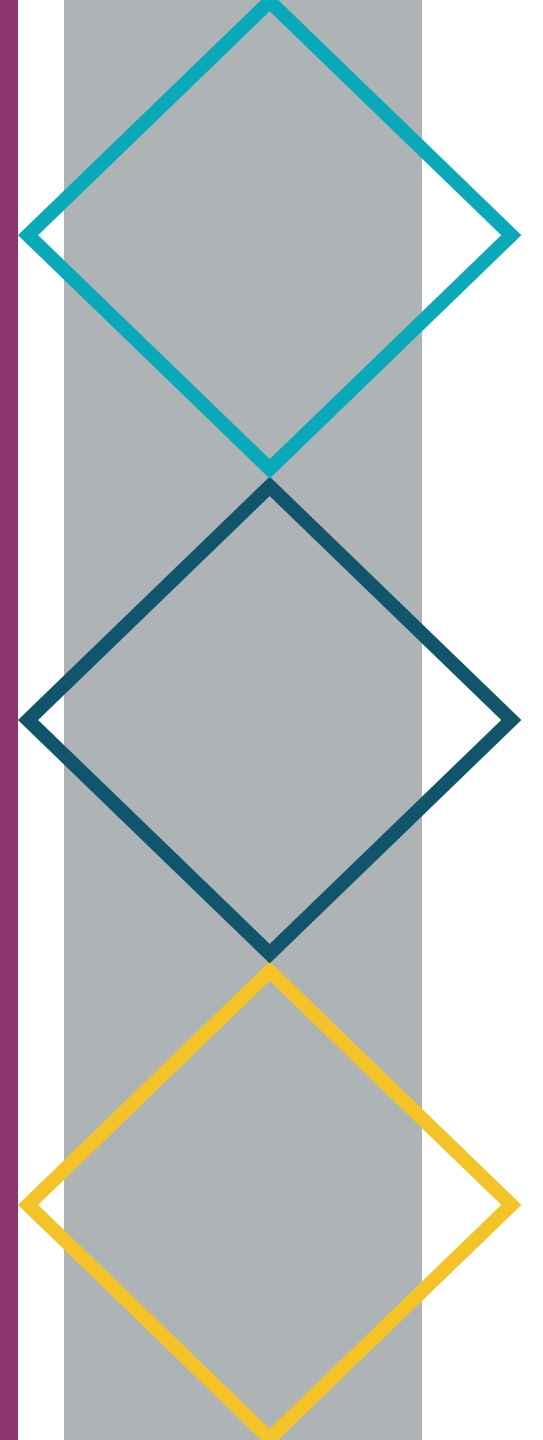


Inland Marine/Equipment

Generally, applies to moveable equipment

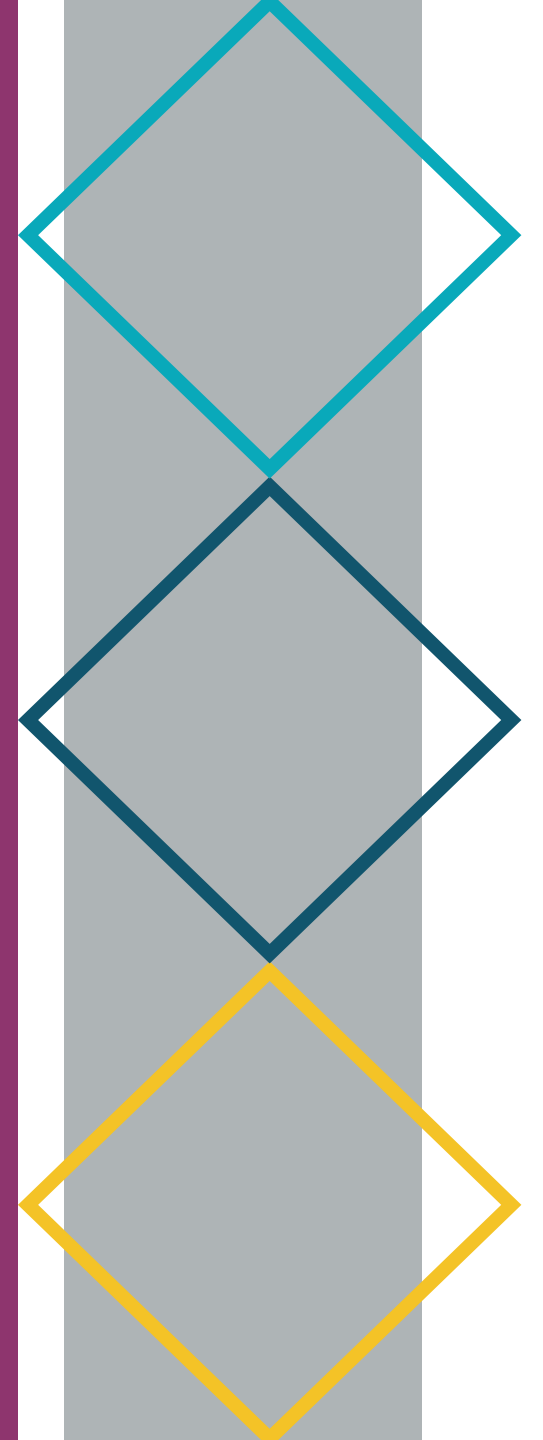
Examples of Covered Property:

- Contractors' Equipment
- Fire Department 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 flood and earthquake.

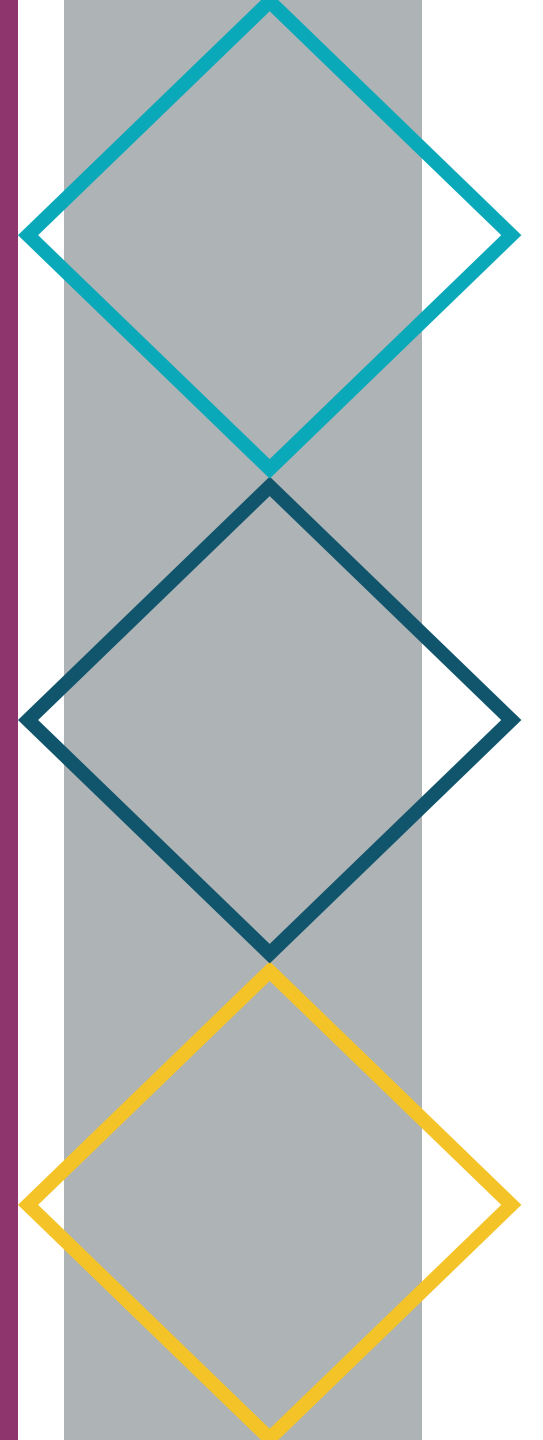


Valuation: Applies to both Property and Inland Marine Coverage

ACV = Replacement Cost minus 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.

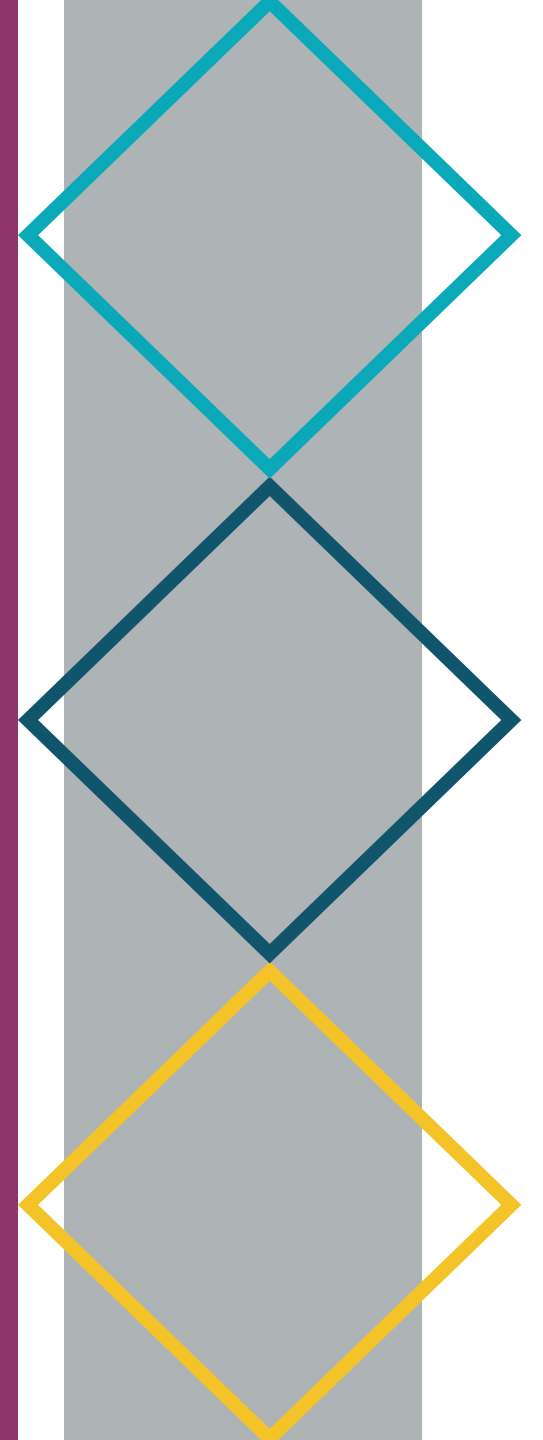


Commercial General Liability

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

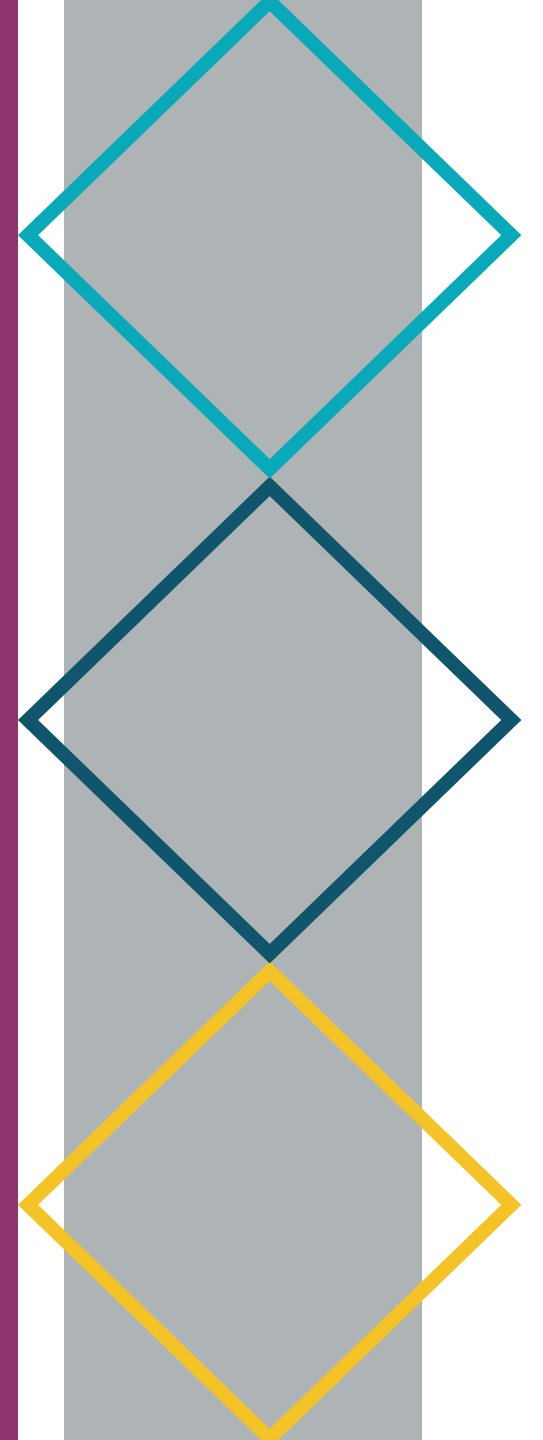
Examples of Coverage:

- 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

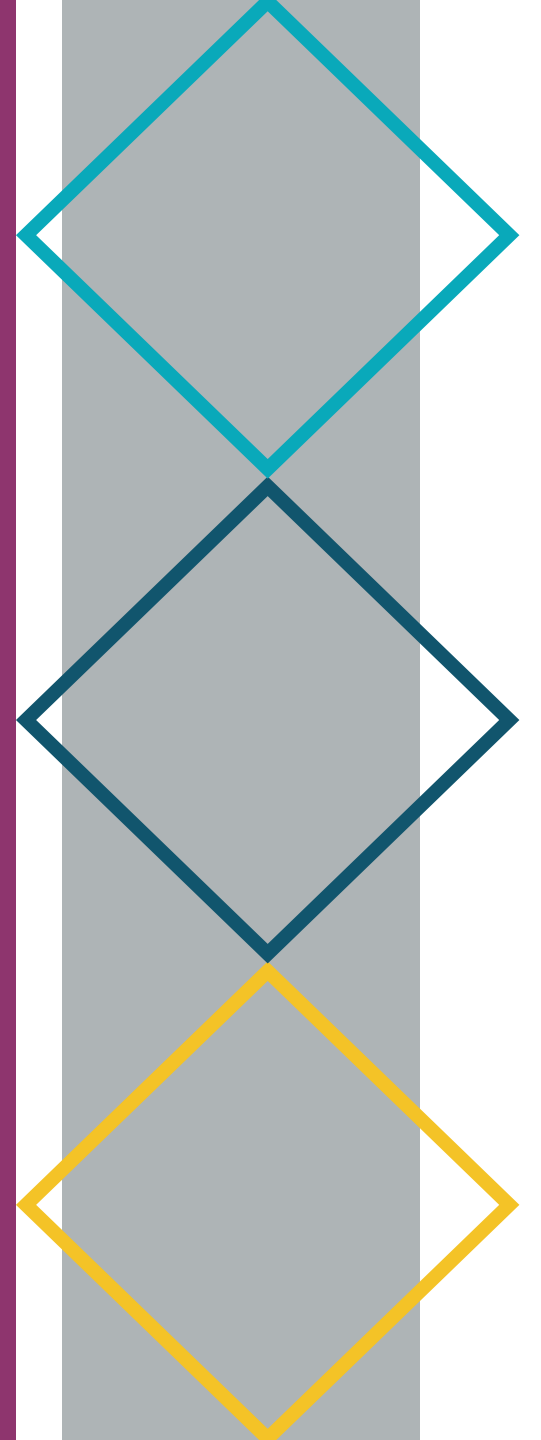
- Liquor Liability
- Workers Compensation
- Pollution Liability
- Aircraft, Autos or Watercraft
- War
- Communicable Diseases
- Lead, Asbestos
- Cyber Liability – must be purchased separately
- Professional Liability such as Public Officials, Employment Practices, Police Professional – must be purchased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



Crime Coverage

May Include One or More of the Following

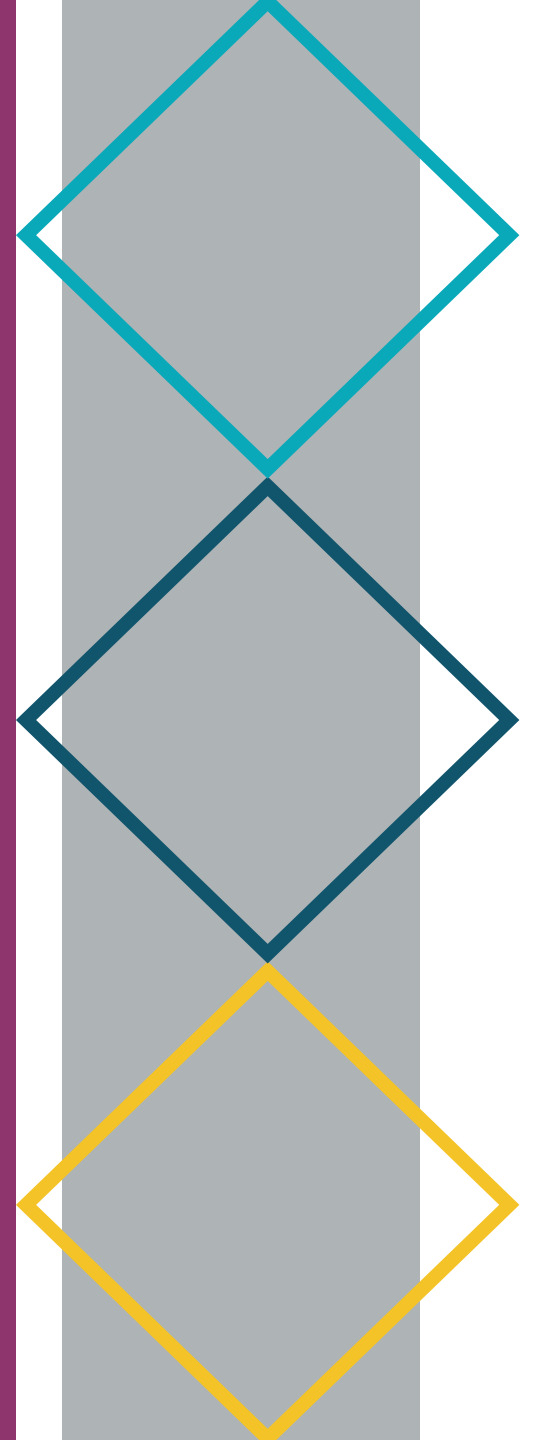
- Employee Dishonesty – provides reimbursement for the loss of money or other property resulting from dishonest acts of employees or volunteers. Treasurers & Tax Collectors are excluded from most forms; a separate bond may need to be purchased. Municipal entities receiving grant funding are nearly always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

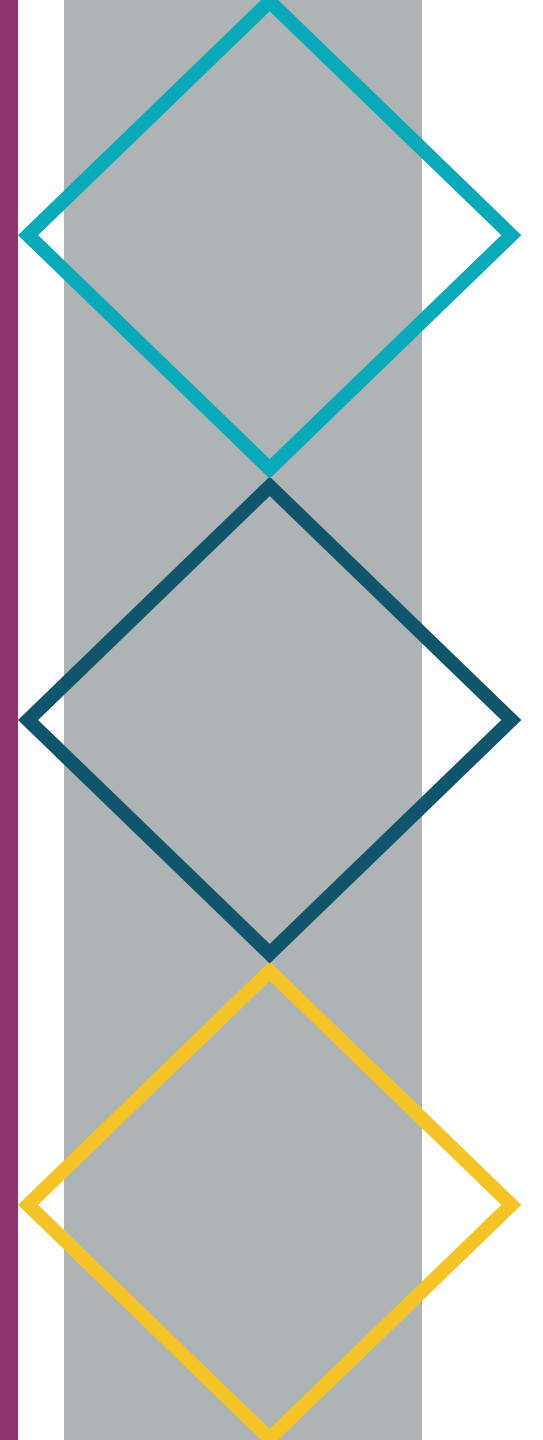
- Computer Fraud, Funds Transfer Fraud, Fraudulent Impersonation – provides coverage for loss of money due to fraudulent instruction to transfer funds from a financial institution without the insured's knowledge or consent.
- Money Orders, Counterfeit Papers



Bonds/Surety

Similar to Crime Coverage, but covered individuals are underwritten or rated based on their own personal creditworthiness. Coverage may be based on an individual employee or specific named position.

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



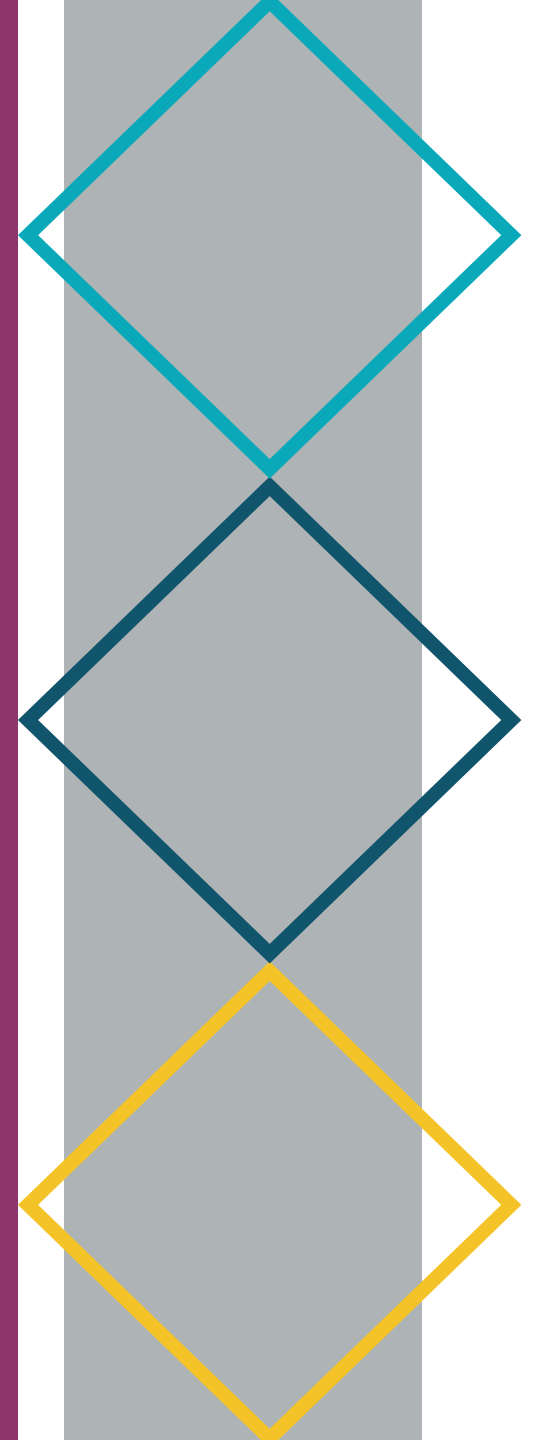
Commercial Automobile

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:

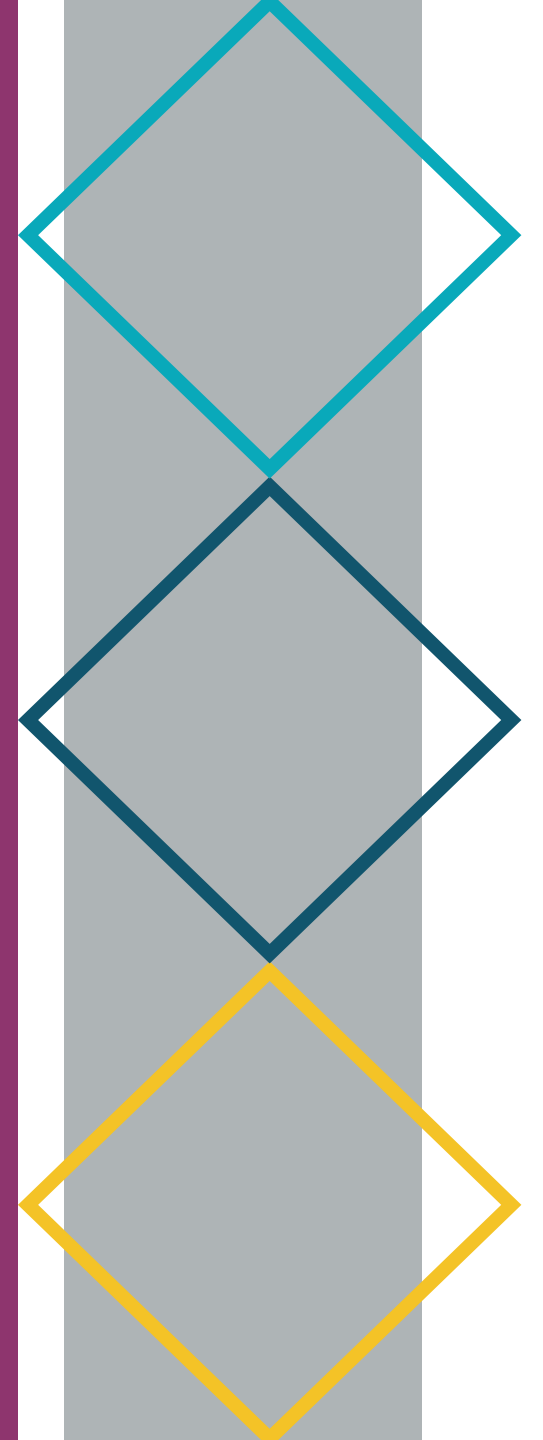
- Transportation Expense (rental car coverage)
- Towing
- Loss of Use
- Medical Payments, Work Loss, Funeral Expenses (but these vary by state)

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



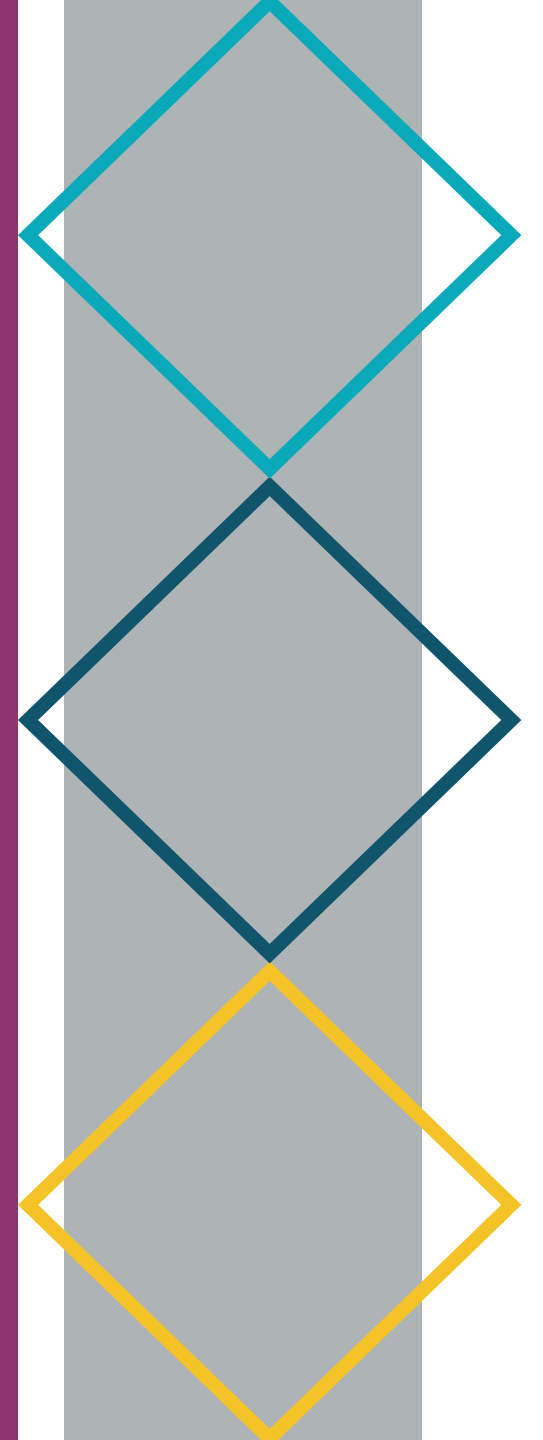
Workers Compensation

- 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.



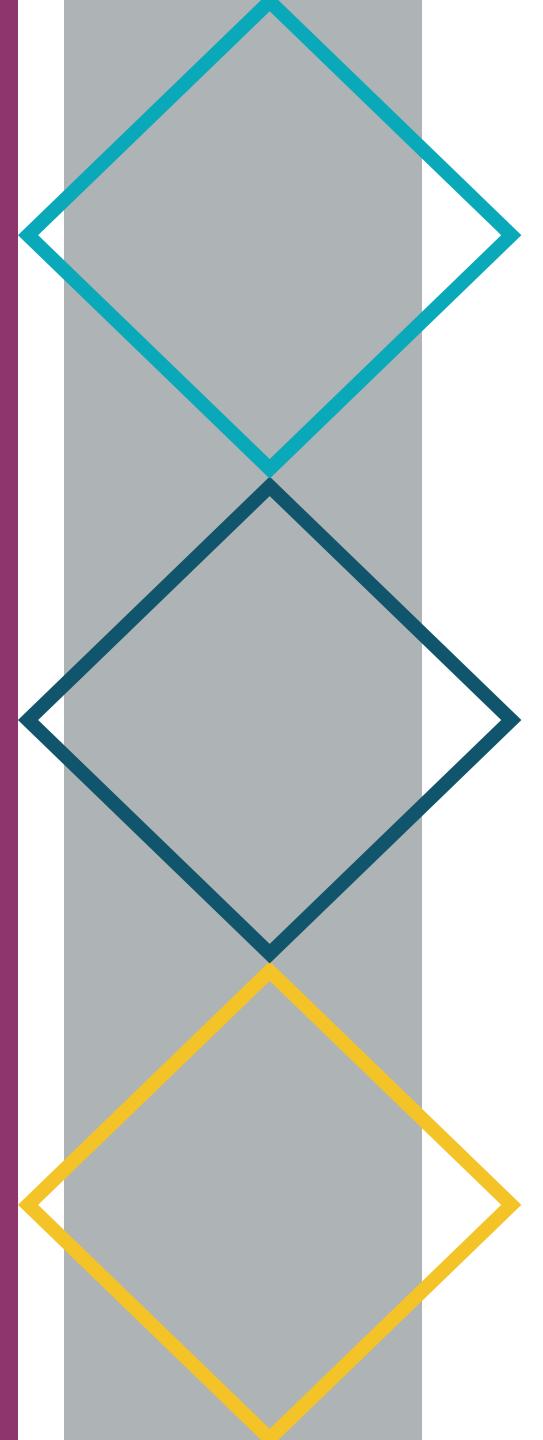
Public Officials/Employment Practices Liability Coverage

- 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, zoning disputes, etc.



Cyber Liability Coverage

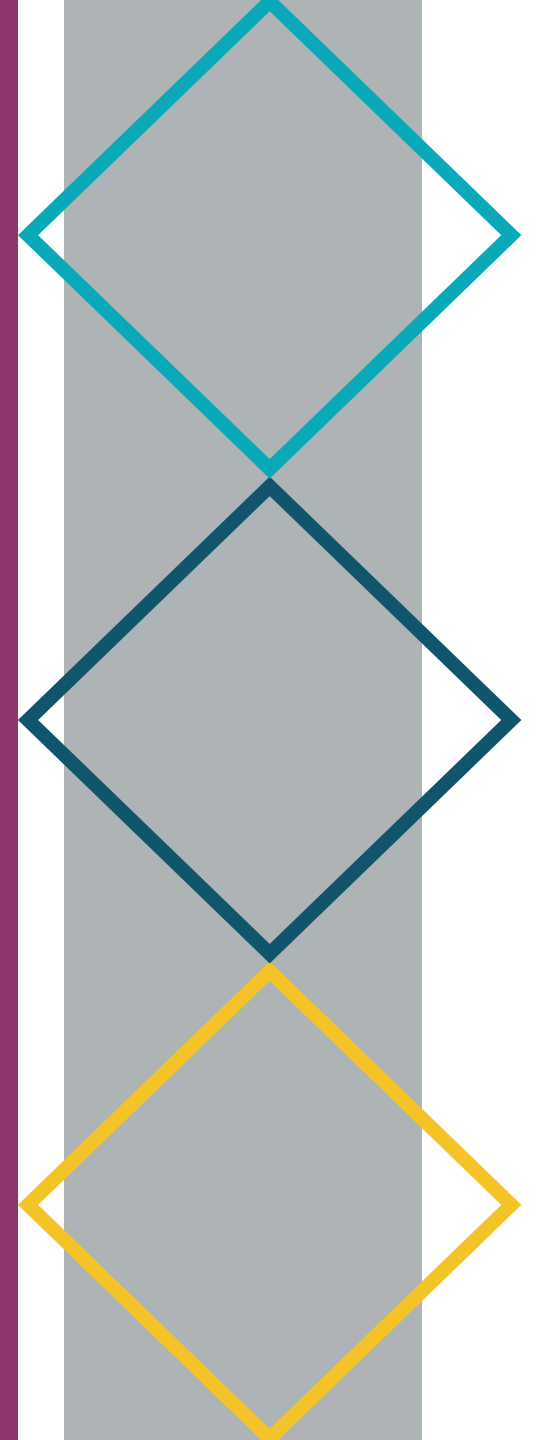
Policy forms vary by carrier; coverage protects the insured against claims for monetary damages arising out of an electronic information security event.



Cyber Liability Coverage (continued)

These policies are intended to cover:

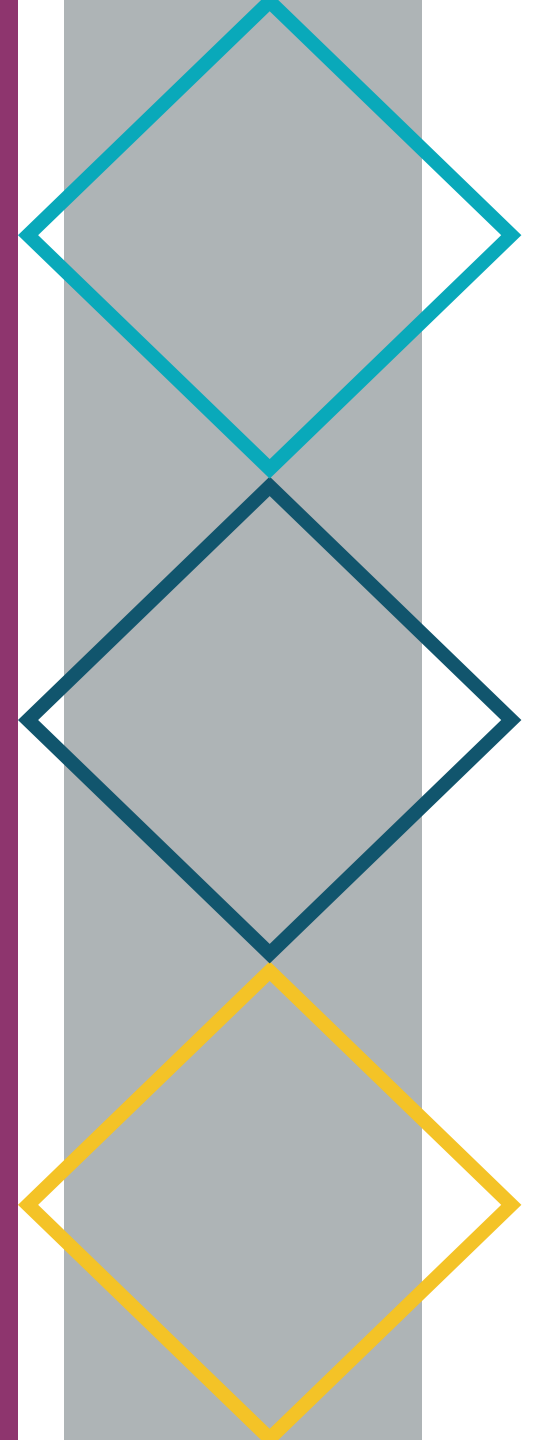
- Cyber Incidents
- Legal and Regulatory Costs
- Security and Forensic Costs
- Crisis Communication Expenses
- Privacy Breach Management Costs
- 3rd Party Privacy Breach Costs
- Post-Remediation Costs
- Electronic Theft of Financial Assets
- Cyber Extortion – reimburses for expenses incurred due to a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



Excess Liability Coverage

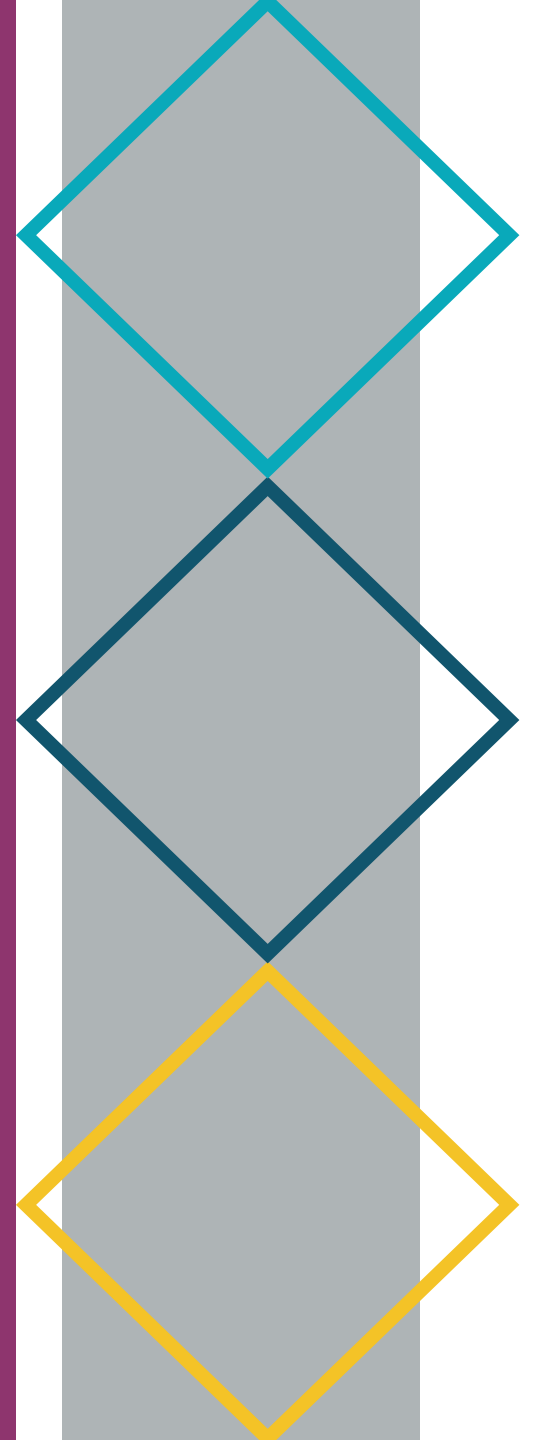
Protects the insured with excess limits above those of scheduled underlying liability insurance.

Excess coverage will apply only when the limits of the underlying policies have been exhausted.



Thank you!

Questions?





FOR MORE INFORMATION

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