



# HYLANT

## INSURANCE PROPOSAL

### **Local Development Finance Authority of the City of Ann Arbor and City of Ypsilanti**

**PRESENTED BY:**

**NANCY MELDRUM**  
SENIOR CLIENT SERVICE MANAGER

AUGUST 17, 2020

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[hylant.com](http://hylant.com)



# Premium Summary

<b>POLICY</b>	<b>2019/20 EXPIRING PREMIUM</b>	<b>2020/21 PROPOSED PREMIUM</b>
Directors & Officers Liability	\$2,855	\$2,855
Options:		
Extended Term - \$1M Limits		\$4,324
1 Year - \$2M Limits		\$4,143
Extended Term - \$2M Limits		\$6,273
\$1M x \$2M		TBD

Hylant Disclaimer / Confidentiality Statement: "The information and concepts provided throughout this document are not intended to express any legal opinion as to the nature of coverage. They are intended to provide a basic understanding of coverages but do not alter any policy conditions. Always refer to your policy(s) for specific coverages, limitations, and restrictions. Any information and concepts outlined are solely for your internal evaluation. Hylant considers this information Confidential and Proprietary and no other use or distribution of these documents is permitted or authorized. All Hylant documents are subject to our record retention policy. Please refer to our website at [www.hylant.com](http://www.hylant.com) for a complete listing of all document types and retention periods for any documents stored within the Hylant organization. Regardless of your choice for premium payment terms, Hylant will not be responsible for the cancellation (and consequences thereof) of your insurance policy(s) due to late payment or non-payment of premium." 8/17/2020



## Discussion Items

1. Named Insured: Local Development Finance Authority of the City of Ann Arbor and City of Ypsilanti
2. Payment terms: Billed directly by Travelers
3. Carrier AM Best Rating: A++ XV
4. Subjectivities: Signed renewal application
5. Major change in ownership or operations: Run-off provisions- subject to additional pricing
6. Risk Management PLUS+ Outline ([www.rmplusonline.com](http://www.rmplusonline.com))
7. Includes Crisis Management Coverage - \$25,000 sublimit
8. Program options:
  - Extended term to expire 3/1/2022
  - \$2M Limits
  - \$1M x \$2M – to follow
9. Listed below are some of the areas where you are uninsured or potentially underinsured:
  - Additional limits - current limit is \$1,000,000
  - Information Technology Exposures/Cyber
    - Network Security (Internal and External)
    - Privacy
    - Professional Liability
10. Claim reporting reminder - to preserve your rights under your insurance policies, all accidents and incidents should be documented and reported promptly. Claims made policy forms require reporting claims as soon as practicable after you become aware of the claim during the policy period; we also recommend you report circumstances you believe may lead to a claim. Please refer to your policy for specific reporting requirements.

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# Directors & Officers Liability

**NAMED INSURED:** Local Development Finance Authority of the City of Ann Arbor and City of Ypsilanti

**INSURANCE COMPANY:** Travelers Casualty & Surety of America

**POLICY TERM:** 8/23/2020 to 3/01/2022

COVERAGE DESCRIPTION	LIMIT
Each Claim	\$1,000,000
Aggregate	\$1,000,000
Supplemental Side A (individual D&O limit)	\$1,000,000
Retentions:	
Individual Directors and Officers	\$0
Corporate Reimbursement to the Individuals	\$10,000
Entity Coverage	\$10,000

**COVERAGE FORM:** Claims-made

**CONTINUITY, RETRO, PRIOR & PENDING LITIGATION DATES:** 7/8/2019

**COVERAGE:** Pays amounts you are legally required to pay arising from allegations of wrongful acts in the management of the company except those specifically **excluded** from coverage as per policy form.

**Exclusions** include but are not limited to:

- Professional Services
- Real Estate Services
- Scheduled entity: Ann Arbor SPARK
- Lender Liability

**COVERAGE TERMS INCLUDE BUT ARE NOT LIMITED TO:**

- The Policy provides a Duty to Defend
- Defense coverage is provided inside the Policy Limits
- Extended Reporting Period: 12 months 75% additional premium
- No short-rate cancellation
- Definition of Insured Person includes Advisory Board Members
- Settlement Clause: 30%/ 70%

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# Carrier Overview

The Best Guide is the guidebook the insurance industry uses to determine the financial stability of an insurance company.

A copy of the Best Guide's report on the insurance companies quoted is available for your review.

While we strive to be certain that your insurance is placed with reputable, highly rated insurance companies, we have no way of guaranteeing the financial accuracy of the Best's Guide or the financial stability of any insurance company.

For these reasons, we recommend that you take into account the financial stability of all the insurance companies prior to making your selection as to who will write your insurance.

COMPANY PROPOSED	BEST'S ASSIGNED RATING	ADMITTED CARRIER	SURPLUS LINES CARRIER

ALPHABETICAL LISTING	NUMERICAL LISTING
A+, A++ Superior	Ranges from 1 to 15
A, A- = Excellent	1 = Smallest Category
B+, B++ = Very Good	15 = Largest Category
B, B- = Good	
C+, C++ = Fair	
C = Marginal	

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