



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

JANUARY 20, 2022

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hylant.com



Premium Summary

POLICY	08/23/20- 03/01/2022 EXPIRING PREMIUM	03/01/2022 - 2023 PROPOSED PREMIUM
Directors & Officers Liability	\$6,273	\$4,756
Options: \$3M Limits		\$5,836

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 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." 1/20/2022



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. Major change in ownership or operations (>50%): Run-off provisions- subject to additional pricing
5. Risk Management PLUS+ Outline (www.rmplusonline.com)
6. Program options:
 - \$3M Limits – total annual premium \$5,836 – full limits prior and pending date of 7/08/2019
7. Coverage Extensions:
 - Crisis Management Coverage - \$25,000 sublimit
 - Side A – Personal Indemnification - \$1M
8. Listed below are some of the areas where you are uninsured or potentially underinsured:
 - Additional limits – consider limits sufficient to pay for defense of claims for all of the directors and officers, perhaps the company itself, with enough remaining to settle claims and satisfy judgments so that plaintiffs are not motivated to pursue individuals director's and officer's personal assets.
 - Activities outside of board duties

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: 3/1/2022 to 3/01/2023

COVERAGE DESCRIPTION	LIMIT
Each Claim	\$2,000,000
Aggregate	\$2,000,000
Supplemental Side A (individual D&O limit)	\$2,000,000
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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