



HYLANT

INSURANCE PROPOSAL

City of Ann Arbor

PRESENTED BY:

JPAUL DIXON

CLIENT EXECUTIVE, SVP

DON BRYANT

SENIOR RISK ADVISOR/ENVIRONMENTAL, VP

LISA L. JOHNSON

SENIOR CLIENT SERVICE MANAGER

DEBORAH NEFF

SENIOR CLIENT SERVICE SPECIALIST

JANUARY 27, 2022

Office – 24 Frank Lloyd Wright Drive, Suite J4100 | Ann Arbor, MI 48106

P (734) 741-0044 F (734) 741-1850

hylant.com



Premium and Marketing Summary

POLLUTION LIABILITY

The three-year policy term expires on February 19, 2022. Renewal quotes are also on a three-year policy term.

	Renewal Date	EXPIRING 2021 / 2022	RENEWAL 2022 / 2023	Increase (Decrease)
Pollution Liability	19-Feb	Chubb	Chubb	
Limit	(3-year term)	\$3M / \$6M	\$3M / \$6M	
Deductible		\$ 50,000	\$ 50,000	
Claims Made Retro Date		2/19/2013	2/19/2013	
Premium		\$ 33,752	\$ 33,752	0.00%

MARKETING SUMMARY

- Allied World: Quote indication of approximately \$45,000
- Allianz: Quote indication of approximately \$45,000
- Aspen: Declined to quote, not able to insure underground storage tanks

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." 1/24/2022



Discussion Items

1. Changes to coverage terms with Chubb:
 - a. Chubb has reduced the deductible for Underground Storage Tanks from \$100,000 to \$50,000
 - b. New form added – Chubb Public Entity endorsement – which includes several new exclusions to coverage:
 - i. Fluorinated Compounds (PFAS)
 - ii. Lead Contaminated Water
 - iii. Lead at Shooting Ranges
 - iv. Odors and Atmospheric Migration
 - v. Prisons, Detention Facilities or Jails
 - vi. Products Liability
 - c. Hylant is continuing to negotiate with Chubb to remove the new exclusions where possible, which may result in increased premium. Alternate option to move coverage to either Allied World or Allianz with higher premium currently estimated at \$45,000.
 - i. Note that all environmental markets are excluding PFAS
2. Coverage options:
 - a. Terrorism coverage is available for additional premium \$1,688. Signed acceptance or declination of coverage required (previously declined)
 - b. Chubb provided an optional quote that includes coverage for Indoor Environmental Conditions (mold, legionella) -additional premium \$3,459.
 - i. Premium for terrorism coverage increases to \$1,861 if Indoor Environmental Conditions coverage is elected.
3. Subjectivities:
 - a. Completed, signed and dated Chubb Environmental application
 - b. Signed and dated terrorism disclosure form, but only if rejecting terrorism coverage
 - c. Chubb engineering phone survey

For consideration of Indoor Environmental Conditions (IEC):

- d. Receipt and review of insured's mold & legionella plans and water intrusion prevention plans
- e. Completion of the IEC related questions in the renewal application

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." 1/24/2022



Discussion Items

4. Payment terms: billed by Hylant in full
5. Carrier AM Best Rating:
 - a. Chubb: "A++" XV

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." 1/24/2022



Pollution Liability Insurance – Scheduled Locations

NAMED INSURED: City of Ann Arbor

INSURANCE COMPANY: ACE American Insurance Company (Chubb)

POLICY TERM: 2/19/2022 to 2/19/2025

COVERAGE DESCRIPTION	LIMIT
Per Pollution Condition	\$3,000,000
Annual Aggregate	\$6,000,000
Retention Per Pollution Condition	\$50,000

COVERAGE FORM: Claims Made and Reported

RETROACTIVE DATE: 2/19/2013

COVERAGE:

- A – Premises Pollution or indoor environmental
- B – Transportation Coverage – Liability and 1st Party Claims
- C – Non-owned disposal site coverage

Pays amounts you are legally required to pay because of bodily injury, property damage or environmental damage resulting from a pollution incident, except those specifically excluded from coverage as per policy form.

Exclusions include but are not limited to:

- Business Interruption
- Communicable, Infectious or Contagious Diseases Exclusion
- Known Conditions
- Asbestos and Lead-Based Paint
- Criminal Fines and Criminal Penalties
- Divested Property
- Fraud or Misrepresentation
- Intentional Non-Compliance
- Fluorinated Compounds (PFAS)
- Lead Contaminated Water
- Lead at Shooting Ranges
- Odors and Atmospheric Migration
- Prisons, Detention Facilities or Jails
- Products Liability
- Sewage Backup

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." 1/24/2022



Pollution Liability Insurance – Scheduled Locations

ADDITIONAL COVERAGES INCLUDE BUT ARE NOT LIMITED TO:

- Included scheduled location: Compost Center/ Landfill and MRP 4120 Platt Road, Ann Arbor, MI
- Covered Storage Tank Schedule

<u>COVERED LOCATION</u>	<u>TANK SIZE</u>	<u>TANK CONTENTS</u>	<u>RETRO DATE</u>
4251 Stone School Rd	15,000 gal.	Unleaded Gasoline	07/11/2007
4251 Stone School Rd	15,000 gal.	Diesel	07/11/2007

COVERAGE TERMS INCLUDE BUT ARE NOT LIMITED TO:

- Notice of Removal or Replacement of underground storage tanks must be provided to the Insurer no fewer than 3 business days prior to commencement
- 25% minimum earned premium

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." 1/24/2022