



NAUSCH, HOGAN & MURRAY, INC.

140 BROADWAY, SUITE 4640
NEW YORK, N. Y. 10005
(212) 480-4200 • Fax: (212) 480-2920

May 12, 2021

Yonkers Public Schools
One Larkin Center
Yonkers, New York 10701
Attn: Mr. John Becker

Re: Yonkers Public Schools
Property including Boiler & Machinery Insurance
Policy Period: July 1, 2021 – July 1, 2022

Dear Mr. Becker,

In response to the request for proposals of insurance with respect to the renewal of Yonkers Public Schools' Property and Boiler & Machinery insurance, we advise that we have received the following indications:

The first is a quote from the incumbent carrier, The Travelers Indemnity Company (a Stock Company) (AM Best Rating A++, XV).

Program Comparison

	<u>Expiring</u>	<u>Renewal</u>	<u>Difference</u>
Values	\$943,704,325	\$953,647,653	+ 1.05%
Rate	0.09980%	0.10859%	+ 8.81%
Premium	\$941,844	\$1,035,588	+ 9.95%

Taking the increased value into account, the real premium increase was 8.9%.

In your review of this proposal you will note that when compared to the current property insurance policy, the overall schedule of values increased roughly 1.05% (\$953,647,653 vs \$943,704,325). This increase in values continues to be the result of continued increased building construction costs.

The five-year loss ratio currently being 86.97% again is compounded by Travelers having to increase their premium rates across the board due to continuing increases in treaty costs and internal expenses resulting in a rate change of roughly 8.81%. Travelers renewal premium quoted \$1,035,588 versus the expiring premium of \$941,844.

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- **Talbot:** Sorry for the delay in getting back to you but I'm afraid this one doesn't fall within our current appetite.
- **WR Berkley Syndicate:** Very Rough Indication- Feel a Primary \$10 M at \$1.5 M less 20% would suit, with \$100K All Other Perils + National Flood Insurance Program as a min for flood + final slip to be agreed WRB. WRB would offer 8% line. Would offer reductions if larger All Other Perils deductible was taken. No Cover Given To Be Entered Subject to Firm Order No Cover Given Open 30 days Subject to No Deterioration in In Loss Record.

Other US markets:

- Hanover declined to quote due to class of business.
- Hartford declined to quote because of inadequate protection at some locations. It seems too many of the buildings do not have sprinklers.
- CHUBB advised that they cannot consider due to type of risk
- Allianz advised that they are not a market for schools.
- Philadelphia Insurance Company declined to put forth a quote.

There replacement Cost policy form numbered MSC 505 10 18 will remain on the policy.

This roof endorsement amending the valuation of roof damage from Replacement Cost to Actual Cash Value on roofs fifteen years old and older will remain on the policy, unless there have been some roof replacements that we are not aware of. If so, please let us know.

In summary, when reviewing the above, the incumbent carrier, Travelers Indemnity Company, an admitted company in New York State, has again presented the most competitive offer of property insurance inclusive of boiler and machinery.

As always, if you have any questions, concerns or comments please do not hesitate to contact us.

Thanks and Best Regards,



Doreen McLoughlin
dm/ms
Encl.

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\$10,000,000 PER OCCURRENCE/ANNUAL AGGREGATE EARTHQUAKE AND VOLCANIC ERUPTION IN THE POLICY TERRITORY EXCLUDING ALASKA, HAWAII, PUERTO RICO, CALIFORNIA AND OCCURRING IN HIGH AND MODERATE HAZARD EARTHQUAKE AND VOLCANIC ERUPTION AREAS AS PER MS C6 05

DEDUCTIBLES:

\$ 100,000 ALL OTHER PERILS, IN ANY ONE OCCURRENCE
\$ 100,000 EARTHQUAKE AND VOLCANIC ERUPTION, IN ANY ONE OCCURRENCE
\$ 250,000 FLOOD OCCURRING AT THE FOLLOWING INSURED PREMISES IN ANY ONE OCCURRENCE:
1408 NEPPERHAN AVENUE, YONKERS NEW YORK 10703
1 LARKIN CENTER, YONKERS, NEW YORK 10701
201 SAW MILL RIVER ROAD, YONKERS, NEW YORK 10701

DEDUCTIBLES:

\$ 100,000 FLOOD OCCURRING AT ALL OTHER INSURED PREMISES, IN ANY ONE OCCURRENCE
\$ 10,000 BOILER & MACHINERY DIRECT PHYSICAL DAMAGE IN ANY ONE ACCIDENT
\$ 10,000 UTILITY SERVICES- DIRECT DAMAGE, INCLUDING BOILER & MACHINERY, IN ANY ONE OCCURRENCE
\$ 100,000 EXTRA EXPENSE, FOR WHICH NO OTHER DEDUCTIBLE IS STATED, IN ANY ONE OCCURRENCE
24 HOURS UTILITY SERVICES- TIME ELEMENT, INCLUDING BOILER & MACHINERY, IN ANY ONE OCCURRENCE
24 HOURS BOILER & MACHINERY EXTRA EXPENSE, IN ANY ONE ACCIDENT

TOTAL INSURED VALUE:

\$953,647,653

SUBJECTIVITIES:

ALL STATE MANDATED ENDORSEMENTS
CONSULT POLICY FOR ACTUAL TERMS AND CONDITIONS
COMPLIANCE WITH INSURERS' REASONABLE ENGINEERING RECOMMENDATIONS
CANCELLATION, OTHER THAN 10 DAYS FOR NON-PAYMENT OF PREMIUM, IS AT 60 DAYS EXCEPT AS AMENDED BY THE STATE CHANGES-CANCELLATION AND NON-RENEWAL ENDORSEMENT
NON-RENEWAL IS AT 60 DAYS EXCEPT AS AMENDED BY THE STATE CHANGES-CANCELLATION AND NON-RENEWAL ENDORSEMENT
THE EXCLUSION-"CERTAIN COMPUTER RELATED LOSSES DUE TO DATES OR TIMES" APPLIES
PROPOSALS CONTAIN A BRIEF OUTLINE OF COVERAGES
TERMS AND CONDITIONS OF THE POLICY TAKE PRECEDENCE OVER ANY PROPOSALS

FORMS:

MS C0 02 07 99 INDEX OF FORMS
MS C0 03 10 18 SUPPLEMENTAL COVERAGE DECLARATIONS
MS C1 00 10 18 PROPERTY COVERAGE FORM
MS C1 03 10 18 EXTRA EXPENSE COVERAGE FORM
MS C2 02 10 18 EARTHQUAKE AND VOLCANIC ERUPTION
MS C2 06 10 18 FLOOD
MS C2 10 10 18 BOILER & MACHINERY
MS C2 19 10 18 ELECTRONIC VANDALISM
MS C2 37 09 02 EXCLUSION NUCLEAR HAZARD WAR MILITARY ACTION & PATHOGENIC
MS C3 20 07 99 EXPEDITING EXPENSES-BOILER & MACHINERY
MS C3 27 10 18 UTILITY SERVICES- DIRECT DAMAGE
MS C4 09 10 18 UTILITY SERVICES- TIME ELEMENT
MS C5 01 10 18 POLICY CONDITIONS, ADDITIONAL PROVISIONS AND DEFINITIONS FORM
MS C5 05 10 18 REPLACEMENT COST
MS C5 07 10 18 ACTUAL CASH VALUE

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Claim Data Expense-Direct Damage, in any one occurrence	\$ 25,000
Ordinance or Law Loss to the Undamaged Portion in any one occurrence; Demolition Cost in any one occurrence; Increased Cost of Construction, in any one occurrence Included means, included in the Limit shown for Loss to the Undamaged Portion of Buildings	\$5,000,000 ; Included; Included
Limited "Fungus", Wet Rot and Dry Rot Coverage-Direct Damage: In any one occurrence: Aggregate in any one policy year:	\$15,000 \$15,000
Extra Expense, in any one occurrence; Civil Authority;	\$1,000,000; 30 days;
Ingress or Egress, in any one occurrence: Number of Miles, Number of Days;	\$1,000,000; 1 Mile; 30 Days;
Claim Data Expense-Extra Expense, in any one occurrence;	\$25,000;
Limited "Fungus", Wet Rot and Dry Rot Coverage-Extra Expense	30 days
Boiler & Machinery Insured's Premises only, max any one accident	\$50,000,000 Combined PD/TE
Hazardous Substances, in any one accident- Ammonia Contamination	\$ 25,000
-Any Other Substance	\$ 25,000
-Water Damage, in any one accident	\$ 25,000
Limited Electronic Vandalism Cause of Loss Coverage, aggregate in any one policy year	\$ 25,000
Expediting Expenses- B&M Only, in any one occurrence	\$ 25,000
Utility Services combined Direct Damage & Time Element including B&M, in any one occurrence	\$ 500,000 excluding Transmission & Distribution lines

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LOSS PAYABLE PROVISIONS

This endorsement modifies the Policy Conditions, Additional Provisions and Definitions Form.

Each of the following Loss Payment provisions, A., B. and C., is added to the Loss Payment Loss Condition, only as indicated in the Schedule below:

A. LOSS PAYABLE

For Covered Property in which both the Insured and a Loss Payee shown in the Schedule below have an insurable interest, the Company will:

1. Adjust losses with the Insured; and
2. Pay any claim for loss or damage jointly to the Insured and the Loss Payee, as their interests may appear.

B. LENDER'S LOSS PAYABLE

1. The Loss Payee shown in the Schedule below is a creditor, including a mortgagee or trustee, whose interest in Covered Property is established by such written instruments as:
 - a. Warehouse receipts:
 - b. A contract for deed:
 - c. Bills of lading:
 - d. Financing statements; or
 - e. Mortgages, deeds of trust, or security agreements.
2. For Covered Property in which both the Insured and a Loss Payee have an insurable interest:
 - a. The Company will pay for covered loss or damage to each Loss Payee in their order of precedence, as their interests may appear.
 - b. The Loss Payee has the right to receive loss payment even if the Loss Payee has started foreclosure or similar action on the Covered Property.
 - c. If the Company denies the Insured's claim because of the Insured's acts or because the Insured has failed to comply with the terms of this policy, the Loss Payee will still have the right to receive loss payment if the Loss Payee:
 - (1) Pays any premium due under this policy at the Company's request if the Insured has failed to do so;
 - (2) Submits a signed, sworn proof of loss within 60 days after receiving notice from the Company of the Insured's failure to do so; and
 - (3) Has notified the Company of any change in ownership, occupancy or substantial change in risk known to the Loss Payee.

All of the terms of this policy will then apply directly to the Loss Payee.

- d. If the Company pays the Loss Payee for any loss or damage and denies payment to the Insured because of the Insured's acts or because the Insured has failed to comply with the terms of this policy:
 - (1) The Loss Payee's rights will be transferred to the Company to the extent of the amount the Company pays; and
 - (2) The Loss Payee's rights to recover the full amount of the Loss Payee's claim will not be impaired.

At the Company's option, the Company may pay to the Loss Payee the whole principal on the debt plus any accrued interest. In this event, the Insured will pay its remaining debt to the Company.

ADDITIONAL INSURED

The following are added as additional insured(s), as their interest may appear, for the described property only.

Insured Premises Address	Additional Insured	Description of Covered Property
As per Schedule on File with the Company	As per Schedule on File with the Company	As per Schedule on File with the Company