

August 15, 2013

Prepared for:
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Executive Director

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Quincy Housing Authority

Request for Insurance Proposals



Risk Advisors

190 High Street
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KFDA.com

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Public Notice

See *Appendix*.

Preface

The Quincy Housing Authority is interested in obtaining a limited number of proposals for its Property & Casualty Insurance. The Quincy Housing Authority is issuing this Request for Proposal with the assistance of KFDA Risk Advisors at 190 High Street, Boston, MA 02110. The Authority's insurance renews on October 16, 2013.

The Quincy Housing Authority is seeking quotes for the following lines of coverage:

- General Liability
- Public Officials' Liability
- Property
- Boiler & Machinery
- Crime

The Authority wishes to clearly state its intention that it will endeavor to remain with one agent/broker for a period of three years or longer; however, it has the option at its sole discretion to terminate the relationship at any time it sees fit.

The guidelines which we have prepared for the presentation of proposals are relatively broad. The information contained in these specifications is designed to be a minimum guideline for the presentation of proposals. These specifications are not intended to limit the scope of coverages to be offered, but rather to outline key items which we expect you to address in your proposals. Proposals which include additional and alternative methods of handling risks will be welcomed and encouraged, but *any deviations from these specifications must be clearly indicated. In that some of the provisions and coverages requested within these specifications may require an additional premium, any additional cost associated with a coverage enhancement must be identified. If no such additional cost is identified, the proposal may be accepted on the premise that the coverage is included in the cost.*

Decisions concerning the acceptance of proposals will be based on coverage content, projected long-range costs, and perceived carrier financial stability. Services to be provided and immediate cost and cash flow advantages will also be taken into consideration. The Quincy Housing Authority reserves the right to accept or reject any or all proposals. It is expected that there may be some further negotiation relative to modification of coverage or cost after a particular proposal has been accepted based on general merits.

The Quincy Housing Authority reserves the right to amend this RFP at any time prior to the time of receipt of proposals. Also, the Quincy Housing Authority may cancel this RFP, in whole or in part, at any time whenever such an act is deemed in its best interest.

The Authority prefers to have an offer of a competitive multi-year fixed rate. In the event that the Authority chooses a plan with a rate that is not fixed beyond one year or one that has a conditional renewal rate cap, the Authority maintains its right to not renew its program.

Overview

The Quincy Housing Authority is authorized by and operates under the provisions of Ch. 121B of the Massachusetts General Laws, which is known as the *Housing and Urban Renewal Law*. The governing body of the Authority is its Board of Commissioners. The Quincy Housing Authority's mission is to promote, develop and maintain affordable rent and homeownership housing opportunities. As such, these living spaces are well designed, consistent with market standards, cost effective to manage and encourage freedom of choice. The Authority seeks to assist eligible households and individuals of low and moderate income in achieving household stability and economic self-sufficiency. There are four federally funded properties within the Authority's domain to insure.

To serve the occupants within these properties, the Authority offers maintenance services Monday through Friday from 8:00 A.M. to 4:30 at its Maintenance Office at 15 Bicknell Street in Quincy, MA. Any calls received outside of normal business hours are handled on an emergency basis only. A resident may purchase maintenance items at the Maintenance Office warehouse. The Tenant Services Department is responsible for ensuring accurate and prompt rent calculations, collection of rent, community relations and lease enforcement. Each property has a property manager who is made available to discuss rent payments, parking, trash collection and any other concerns regarding tenancy.

The Authority offers two programs for its tenants:

- **Family Self-Sufficiency Program**

The "FSS" Program is available to current residents who live in Riverview, O'Brien Towers, Pagnano Towers, Drohan Apartments, or who have a Section 8 voucher issued by the Authority. The "FSS" Program is a support program which assists participants in identifying and achieving educational and career goals.

- **Computer Training Classes**

The Authority offers computer, office and job readiness skills training, as well as senior life enrichment training. Classes are open to all Quincy Housing Authority residents and Section 8 participants. Classes include computer basics, *Word*, *Excel* and *PowerPoint*.

There are thirty-two staff members, including an Executive Director. There are five commissioners. Four commissioners are nominated by the Mayor of the City of Quincy, with each nominee confirmed by a majority vote of the Quincy City Council. A fifth commissioner is appointed by the Governor of Massachusetts. Of the four commissioners nominated by the Mayor, one must be a resident of the Quincy Housing Authority and one must be a representative of organized labor. All members of the Commission are appointed for five-year terms.

General Information

1. Market Assignments

To eliminate any unnecessary duplication of marketing efforts, we ask that each proposer only approach those markets specifically assigned. Prior to approaching any insurance carrier, request in writing via e-mail and receive permission from the Authority's Chief Procurement Officer through Kathleen Healy.

Any questions about which insurance carriers have been approached can contact via e-mail:

Kathleen Healy
Administrative Assistant
Quincy Housing Authority
80 Clay Street
Quincy, MA 02170
Tel: 617. 984. 0450
E-Mail: jkhealy@quincyha.com

Those agents and brokers who do not comply with this requirement may be eliminated from the process. The requirements of this provision apply to the proposing broker and any intermediary used by the retail broker.

2. Additional Information

Any questions concerning exposures, assignment of companies, coverages or insurance technicalities should be addressed to:

Kathleen Healy
Quincy Housing Authority
80 Clay Street
Quincy, MA 02170
Tel: 617. 984. 0450
E-Mail: khealy@quincyha.com

Information concerning questions which, in the opinion of the Quincy Housing Authority would be valuable to all proposers, will be distributed accordingly.

Failure of any proposer to receive any addenda shall not relieve such proposer from any obligation under the proposal as submitted. All addenda issued shall become part of these specifications. It is presumed that all proposers will have read and are thoroughly familiar with these specifications and addenda. The failure or omission of any proposer to examine any form, instrument, or document shall in no way relieve the proposer from any obligation with respect to the proposal.

3. Inspections

If it is necessary to inspect any locations for underwriting purposes or develop further information from within the Quincy Housing Authority, permission for such must be obtained in advance from:

Kathleen Healy
Quincy Housing Authority

80 Clay Street
Quincy, MA 02169
Tel: 617. 984. 0450
E-Mail: khealy@quincyha.com

4. Applications

It is the responsibility of each proposer to complete all necessary applications. We have tried to compile these specifications with sufficient data for the broker or agent to prepare applications. Should you require additional information prior to submitting your proposal, please contact Kathleen Healy of the Quincy Housing Authority. In that much of the information necessary to prepare a quotation has been provided in these specifications, no insurer-specific applications will be completed as part of this marketing process. Applications may be signed by James E. Lydon, Executive Director, upon acceptance of the successful agent's/broker's proposal.

General Requirements/Submission Procedures

1. Delivery

Each proposal should be submitted *in triplicate* no later than 1:00 p.m. on Friday, September 13th at the Quincy Housing Authority and must remain valid for at least 30 days thereafter. Proposals must be addressed to:

Kathleen Healy
Quincy Housing Authority
80 Clay Street
Quincy, MA 02170

Prominently display on the envelope or other container the name of the firm and the following:

“PROPERTY & CASUALTY INSURANCE PROPOSAL FOR THE QUINCY HOUSING AUTHORITY ENCLOSED”

Please allow ample time for receipt of proposals. Proposals received after this time will not be accepted and recognized. Postmarks do not determine actual receipt.

Information contained in the proposals will be held in strictest confidence until coverage has been placed.

Please provide *an electronic copy* to Terrence J. Curtin at KFDA: tcurtin@kfda.com.

2. Coverages and Forms

Proposals must indicate the insurance companies and service organizations to be used and include specimens of all non-bureau policy forms and endorsements. All policies must have the approval of the Department of Insurance, Commonwealth of Massachusetts.

Unless explicitly noted to the contrary, all companies, brokers, agents, and service providers submitting proposals agree to all of the conditions set forth in these specifications. *In each proposal, you are required to specifically note any deviations from these specifications. Also, you must clearly note any limitations of coverage, restrictive conditions, and the like.* Phrases such as “see policy” and “refer to the accompanying policy form” are not acceptable and may disqualify the proposal.

3. Statement of Good Faith and Non-Collusion (Authority form in Appendix)

Each proposal submitted must include a statement similar to that listed below which is properly signed by an authorized official of the firm:

The undersigned certifies under penalties of perjury that this proposal has been made and submitted in good faith and without collusion or fraud with any other person. As used in the certification, the word “person” shall mean any natural person, business, partnership, corporation, union, committee, club, or other organization, entity or group of individuals.

(name of person signing proposal)

(name of firm)

4. Alternatives

Alternatives to the purchase of conventional insurance may also be offered. Such alternatives should be aimed at providing the Quincy Housing Authority with a more cost-effective and better-arranged risk management/funding program. Proposals of this type should include a conceptual presentation and may utilize a retention program, first loss plan, or other non-standard approach. The breadth of coverage and basis of costs contained in these alternatives, however, must incorporate all of the coverage and enhancements embodied in these specifications.

Any Third Party Claim Administration structure must be presented in great detail: managed care arrangements, claim reserving practices, procedures, communication systems, related costs, etc.

5. Recommendations

Unless engineering recommendations are submitted along with the company proposal, it is understood that all proposals are issued without such conditions. All mandatory engineering recommendations must be clearly identified. Insurance proposals provided on a “subject to inspection” basis may not be accepted.

6. Underwriting and Loss Information

Underwriting, valuation, and loss data provided have been compiled with the greatest attention to accuracy and are for the purpose of establishing a fair rating basis. We, however, cannot warrant the accuracy of all information.

All quotations must be based on the information in these specifications unless you are advised otherwise. The successful proposer will be permitted to make reasonable adjustments necessitated by basing their quotation on material underwriting inaccuracies.

To ensure accuracy and appropriateness of coverage, the selected agent will be required to review all schedules with Deborah Williamson of the Quincy Housing Authority.

7. Pricing and Payment Plan

- A. For each line of coverage, pricing portions of proposals should indicate the unit costs, discounts, dividends, audit rates, and like. As stated in the Preface and repeated here for emphasis, all proposers shall clearly identify any fees to be charged beyond premium costs in their proposals. Although not mandatory, it is requested that the underwriter’s worksheets also be included as part of your submission.
- B. Any minimum earned premiums must be identified. If minimum earned premiums are not identified, it will be presumed that coverage is without a minimum earned premium provision.
- C. Methods of payment and cash flow are important considerations. While interest-free payments are preferred, other plans will be considered. Please indicate plans available and cost differentials.
- D. As stated in the *Preface*, it is desirable to have all policies be issued subject to fixed rates for a multi-year term. The Quincy Housing Authority intends that this insurance will be continued with the same agent, broker, and/or company for three years or longer, although contracts will be issued with annual extensions. The Authority reserves the right, however, to accept a one-year program. If at its sole discretion and is deemed appropriate, the Authority may choose to extend its relationship for a longer period.

- E. All commissions and other fees not included must be specifically and clearly identified. Any additional credits available to the Authority must also be identified.

8. Agent and Company Qualifications and Services

Please outline how the services provided by your agency and insurance company representatives will be coordinated.

- A. Provide background information regarding the specific individuals who will be responsible for these services.
- B. Give a description of the specific loss control, claims, certificate issuance, and all similar services which the insurance company and agency or brokerage will provide. This should be a defined program for the Quincy Housing Authority rather than a general statement of policy. Some areas which might be addressed are: exposure analysis; loss control, safety, and engineering studies; property inspections and appraisals; boiler surveys; registry services; claims services (including on-line status reports); meeting for claims reviews; and certificate issuance. The Authority expects to receive quarterly updates of loss data, with detailed claim status reports for each open claim with over \$10,000 in reserves. The Authority expects also that the agent/broker will offer periodic loss prevention visits with resultant written loss prevention analysis reports. In addition, the Authority requests a presentation of an annual stewardship report close to three months prior to program expiration in order to report on service deliverables over the previous nine months.
- C. The successful proposer will have some client contact in assisting with Massachusetts Motor Vehicle Registry services. It must be emphasized that the Authority expects the agent to handle all Authority motor vehicle registrations and title transfers.
- D. We ask for a list references, including housing authorities and municipalities comparable to that of the Quincy Housing Authority.
- E. Communicating the financial stability of proposed insurers to the Quincy Housing Authority is the responsibility of the agent or broker submitting the proposal. *The agent or broker accepts full responsibility for informing the insured of any change in the financial standing of its insurers.* Please address this specifically in your proposal. Although the Authority may need to consider insurers with lower ratings, the Authority desires to obtain a proposal from an insurer rated by A.M. Best at "A" "VIII" or higher. A minimum rating is outlined in the Authorities "proposer instructions" in this document's Appendix Section.
- F. If any part of the work under this RFP is to be performed by a subcontractor (i.e.: Third Party Administrator, etc.), the proposer will provide a complete description of services to be subcontracted, along with a complete description of qualifications, capabilities and cost of the subcontractor.
- G. The account representative must be available for meetings with Authority Officials during the day or night as required and must be experienced in making oral presentations to boards, commissions and public meetings.

9. Withdrawal of Proposals

A proposal may be withdrawn by written or telephone request (and subsequently confirmed in writing) providing that such a request is received prior to the time established for the receipt of proposals. The Authority will not be responsible, however, for the timely receipt of any request for withdrawal.

10. Modifications to Proposals

- A. Modifications to the proposals may be submitted prior to the date specified for receipt of proposals.
- B. An original and one copy must be submitted together with a transmittal letter signed by an authorized official of the firm.
- C. Modifications must be submitted in sealed envelopes, clearly marked "Property and Casualty Insurance - Modification #____."
- D. Modifications must be forwarded to the Chief Procurement Officer.

Requirements for the Selected Agent/Broker

1. Award/Coverage Purchase

The awarding authority for the Quincy Housing Authority is the Board of Commissioners, Executive Director and Chief Procurement Officer.

Awards will be made on the basis of scope of coverage; overall costs (including immediate costs, anticipated net premiums, and cash flow advantages); insurance company's ability to provide underwriting, loss prevention and claim services; the service capability of the agent, broker, or company representatives; and such other factors as the Quincy Housing Authority in its sole judgment consider relevant.

The Quincy Housing Authority reserves the right to accept or reject any or all proposals, in whole and in part, and to waive minor discrepancies or permit a proposer to clarify such discrepancies. It is expected that there may be some further negotiation relative to modification of coverage and/or cost after a particular proposal has been accepted based on its general merits.

While it is preferred and intended that all related lines of insurance will be purchased from one source, unless noted, costs and coverages by line of insurance will be considered severable. *Any proposed coverage that is dependent upon purchase of other coverage proposed must be specifically identified.*

It is intended that insurance will be purchased and continued with the same agent or broker and company for a minimum of three years, with negotiation of renewal premiums consistent with changes in risk or exposure. The Quincy Housing Authority, however, reserves the right to cancel or not renew its insurance during that period at its sole discretion and in accordance with the terms and conditions of the contracts.

2. Distribution of Policies and Other Data

The successful provider will be required to send originals of all binders, policies, endorsements, loss prevention reports, loss and claims information, audits, and correspondence to Deborah Williamson, Chief Procurement Officer at the Quincy Housing Authority.

Binders evidencing coverage must be issued by the successful proposer for all policies at least 5 days prior to the inception date and maintained in effect until such time as the policies are issued and in the possession of the Quincy Housing Authority.

The Authority requests that new/renewal policies be issued within 60 days of policy inception. Please indicate if a longer time period is anticipated.

3. Statistical Data

Please note that itemized loss reports must be furnished semi-annually with annual updates of previous policy years until all cases are closed. Claims reports should include reserve and paid amounts, description of losses, dates of incidents, names of claimants, and all other information deemed appropriate.

4. Renewals

The Quincy Housing Authority requires that all *renewal* proposals be made available at least 60 days prior to expiration or anniversary, with an indication of *any changes* in coverage or cost. It is the responsibility of the selected agent/broker to

obtain all information necessary to meet this requirement. If there is a significant change in coverage terms or cost when compared to the expiring program, the Authority reserves the right for at least a 30 day extension of the policy term beyond the original policy expiration.

Terms Applicable to All Policies

1. Named Insured

The Quincy Housing Authority and all committees, commissions, departments, advisory boards, and agencies as may now exist or hereafter be created, owned, formed, controlled, operated or established by the Quincy Housing Authority. In addition, elected or appointed officials, directors, officers, trustees, employees, temporary workers and volunteers of the above are added as Insureds while acting on behalf of the Quincy Housing Authority.

Waive all rights of subrogation against all subsidiary and affiliated organizations.

2. Additional Insureds

Include Additional Insureds in policies as required by contract, agreement, or permit. It is the responsibility of the successful agent/broker to verify with Deborah Williamson of the Quincy Housing Authority that all Additional Insureds are properly named.

As indicated in the *Preface*, any additional costs *must* be identified in the proposal.

3. Clarification of the Term “Insured” regarding Notice

Wherever the term “Insured” is used in a provision of the policy requiring notice by the Insured to the company, or notice by the company to the insured, define “Insured” as James E. Lydon, Executive Director of the Quincy Housing Authority.

Define the “First Named Insured” as the Quincy Housing Authority, c/o James E. Lydon, Executive Director.

Allow the “First Named Insured” to retain all policy rights with regard to (but not limited to) notice, cancellation, or renewal of the policy, loss adjustments, settlement of claims, payment of premiums, receiving return premiums, accepting endorsements issued to form a part of the policy, and the like.

See *Settlement and Knowledge of Occurrence* for authorized Authority Official.

4. Cancellation/Non-Renewal and Material Change Provisions

Amend the Cancellation provisions of all policies to provide a minimum of 90 days advance written notice of cancellation (except for non-payment), non-renewal, reduction, or restriction of coverage by the insurer, addressed to:

James E. Lydon
Executive Director
Quincy Housing Authority
80 Clay Street
Quincy, MA 02170

5. Loss Adjustment

Adjust all losses payable under these policies with the Quincy Housing Authority, c/o James E. Lydon. The Authority requests that it have the right to approve all claim settlements.

6. Choice of Counsel

Allow the Authority to have the right to select counsel in the event of a suit or other action.

7. Settlement (for non-property policies)

Include the following endorsement in all non-property/non-inland marine policies:

*“It is understood and agreed that the company shall not settle any suit without the consent of the Authority Executive Director or his/her representative(s) at the Quincy Housing Authority. If, however, the Quincy Housing Authority refuses to consent in writing to any settlement received by the company and shall elect to contest the claim or continue any legal proceedings in connection with such claim, the company’s liability shall not exceed the amount for which the claim could have been settled plus claims expense **incurred** up to the date of refusal by the Quincy Housing Authority.”*

8. Knowledge of Occurrence

Include the following clause in all policies:

It is agreed that knowledge of any act, occurrence, claim or loss by any agent, servant, or employee of the Insured shall not constitute knowledge of the Insured unless written notice of such act, occurrence, claim or loss has been received by James E. Lydon at the Quincy Housing Authority.

Since Workers’ Compensation will be insured separately from the rest of the program, we request that the General Liability policy be endorsed as follows:

“It is agreed that if an employee/volunteer injury is reported to a Workers’ Compensation insurer, and it is later determined that it is not covered under the Workers’ Compensation Act, it will not be considered as late reporting under the terms of this policy as long as it is reported to this insurer as soon as practicable after receipt of notice indicating rejection of coverage under the Workers’ Compensation laws.”

9. Inadvertent Failure to Disclose/Unintentional Errors and Omissions

Include the following clause in all policies:

“It is agreed that failure of the Insured to disclose all hazards at the inception of this policy, or to comply with any provision of this policy, or errors or omissions in applications, declarations, schedules, endorsements, or other documents shall not prejudice the Insured with respect to the coverage afforded by this policy, provided such failure, error, or omission is unintentional and is corrected or complied with as soon as practicable after it has been brought to the attention of the Office of the Executive Director at the Quincy Housing Authority.”

10. Coverage Improvement (Liberalization)

If the insurance carrier authorizes changes to the form or endorsements that would broaden coverage at no additional charge, then the increased coverage will apply to the policy.

General Liability

1. Policy Period

October 16, 2013 – October 16, 2014

2. Limits of Liability

The Quincy Housing Authority is requesting proposals for Umbrella/Excess Liability coverage. (Please see separate section of these specifications.) Minimum limits sufficient for Umbrella Liability underwriting insurance requirements should be addressed. Current limits are as follows:

Bodily Injury and Property Damage:	\$1,000,000 CSL/occurrence
Personal Injury/Advertising Injury:	\$1,000,000/per Person or Organization
General Aggregate:	\$3,000,000/each location
Employee Benefit Liability:	\$1,000,000/each claim
Fire Damage and Extended Coverage Legal Liability:	<i>Included in each occurrence Limit</i>
Products & Completed Operations Aggregate:	\$3,000,000
Medical Payments	\$ 10,000 any one person
Hired/Non-Owned Auto Liability	\$1,000,000 each accident

or those limits required by the Umbrella liability carrier.

The Quincy Housing Authority will consider additional proposals with other limits if deemed appropriate and cost-effective.

3. Policy Form

Provide coverage on an “occurrence” form basis (CG 00 01 12 07 or broader). If ANY other form is to be used, the coverage provided must be *at least as broad* as the form requested. You must provide a complete copy of the form and all endorsements in your proposal.

*Liability Claim Adjustment must comply with the **Davis-Bacon Act (40 U.S.C. 276a-276a5 and amendments thereof) Wage Rates/Prevailing Wage Rates** for repair and replacement of damaged property. The applicability of prevailing wage rates required by **42 U.S.C. Section 1437** shall be determined by the Regional Labor Relations Officer.*

4. Governmental Immunity

Housing Authorities within the Commonwealth of Massachusetts have the benefit of MGL Chapter 258, (Public Liability) and, if applicable, MGL Chapter 84, (Streets and Roads). These provisions of Massachusetts General Laws limit the liability of housing authorities to \$100,000/claim, and \$5,000/claim respectively. The application of these statutes has been affirmed by the Massachusetts Supreme Judicial Court through various cases.

5. Deductible/Retention

Although the Authority benefits from municipal statutory limitations (MGL Chapter 258, AND MGL Chapter 84), the Authority is currently insured above a \$2,500 per Occurrence Deductible, but it will consider options for self-insured

retentions above the current deductible. Various Specific and Aggregate Retention levels will be considered. If a large retention is offered, a Third Party Claim Administration quote must accompany the SIR option.

6. Terms and Conditions

In addition to the amendments listed in the *Terms Applicable to All Policies* section of these specifications, please include the following coverages:

A. Automatic Coverage:

Provide coverage for newly acquired locations, with no time limitations.

B. Modification of Terms

i. Define “damage” to *include punitive damages and exemplary damages* to the extent not prohibited by law.

ii. Use the term “Insured” severably and not collectively, with exclusions applying separately to each insured against whom claim is made or suit is brought.

(This is often called a *Severability of Interests* or *Separation of Insureds* endorsement.)

C. Additional Insureds:

(See *Terms Applicable to All Policies* section of these specifications.)

Include in the premium on a blanket basis for all liability, such as Premises/Operations; Products/Completed Operations; and Personal/Advertising Injury.

D. Contractual Liability:

Provide coverage for **all** written and oral agreements, including liability (Premises/Operations; Products/Completed Operations; and Personal/Advertising Injury) assumed by contract for services. Include also Lessors as Additional Insureds. For autos, please coordinate coverage with Auto policy to ensure coverage is arranged for those contractual situations requiring insurance.

Coverage for defense costs must be in addition to the policy limit when agreed to prior to a loss.

E. Local, State, and Federal Programs & Co-Ventures:

Include coverage for the Insured’s interest arising out of its participation in any local, state, or federal programs or co-ventures (including mutual aid agreements), whether they be joint ventures or otherwise.

F. Valid and Collectible Insurance:

It is the Insured’s intention to obtain Certificates of Insurance from all parties wherever possible and practical. It also is the intention of management not only to protect its assets further, but to insulate its insurer from unnecessary loss activity. Since the “Standard Other Insurance” policy language is not consistent with management’s position, amend the policy to apply as *“excess over any other valid and collectible insurance available to the insured.”*

G. Waiver of Subrogation:

Waive the insurer’s right of subrogation against all subsidiary or affiliated organizations, and any third party where required by contract.

Furthermore, the Authority’s agreement to waive subrogation against any entity shall not prejudice its right to recover under this policy, provided the waiver of subrogation is entered into prior to a loss.

H. Cross Liability:

Delete any cross liability exclusion.

I. Duties of Insured in the Event of Occurrence, Claim, or Suit Defense:

It is possible that the Insured would have notified its Workers' Compensation carrier of an incident, and then find that the incident should have been reported to the General Liability carrier, thus creating a potential denial based upon lack of proper notice. Since the General Liability and Workers' Compensation coverages will be written by different insurers, redefine the "Duties in the Event of Occurrence, Claim or Suit" provision of this policy to account for this possibility. Suggested policy language follows:

"It is agreed that where the Insured files a Workers' Compensation claim which later develops into a Liability claim, coverage for which is provided by the policy to which this endorsement is attached, failure to report such occurrence to the company at the time of the occurrence shall not be deemed in violation of the policy condition entitled 'Insured's Duties in the Event of Occurrence, Claim, or Suit', upon the distinct understanding and agreement, however, that James E. Lydon, Executive Director of the Quincy Housing Authority, shall give notification of the aforesaid occurrence to this company just as soon as he is definitely made aware of the fact that the particular occurrence is a Liability case rather than a Compensation case.'

J. Do not have the premium *subject to an annual audit*, nor have any adjustments in premium. *Delete any audit provisions.*

K. Personal Injury and Advertising Liability

i. Extend coverage to losses including injury to feelings or reputation and losses that arise from *discrimination, unfair dealings, mental injury, mental anguish, emotional distress, shock, embarrassment, and humiliation.*

ii. Include *incidental publishing* under the scope of coverage, along with invasion of privacy (electronically or otherwise).

iii. Delete exclusions relating to contractual liability claims: wrongful detention, false arrest, wrongful eviction, invasion of privacy, etc.

iv. Extend coverage to any violation of property rights.

v. Include *infringement upon another's copyright, trade dress or slogan in your "advertisement"* (electronically or otherwise)

Please expand upon what is available to cover claims arising from alleged/unintentional intellectual property violations.

L. Host Liquor Liability:

Extend coverage to "all activities of the insured incidental to their normal operations", including the occasional sale at fund raisers or similar events.

M. Employee Benefits Liability:

Include coverage as shown under Limits of Liability with no retroactive date to apply.

N. Hired and Non-Owned Liability:

Please provide coverage for the Automobile Liability associated with damages incurred due to employees, officials and/or volunteers driving their own or hired autos within the scope of their duties for the Authority.

O. Delete *Fellow Employee* exclusion. If this is not possible, coverage should be afforded excess over any other valid and collectible insurance.

P. Include within the *definition of "employee"* all officials elected or appointed while acting on behalf of the Named Insured. In addition, include "*temporary workers*" under the definition of "employee" while acting on behalf of the Named Insured (on an excess basis).

Q. Extend coverage to *volunteer workers* for services provided on behalf of the Insured (endorsement CG 20 21 01 96). Please see also the *Terms Applicable To All Policies* section of these Specifications in reference to "Insureds". Extend Medical Payments coverage to claims made by volunteers, if the proposal reflects a fully-insured program.

R. Amend policy to include *Pollution* coverage (Endorsement CG 04 22 11 85 or CG 21 49 10 93).

S. Do not apply the *Pollution Liability* Exclusion if pollution results from *hostile fire; building heating equipment/air conditioning/dehumidifying/hot water heating equipment; engine or fuel storage compartments of mobile equipment; products; emergency operations; propane or natural gas; sudden and accidental pollution in which the time span between the accident and discovery of condition is 7 days or less; and refuse collection/disposal.*

T. Include coverage for the application of *pesticides and herbicides* usual to a housing authority.

U. Please indicate to what extent coverage limitations exist, if any, as they relate to damages stemming from *"fungal pathogens" and "bacteria"*.

V. Include coverage for claims arising out of *alienated premises* by the Insured.

W. Pre/Post-Judgment Interest:

Include in the Supplementary Payments provision of the policy coverage for Pre/Post-Judgment Interest.

X. Include coverage for *Incidental Medical Malpractice Liability*

Y. *Incidental Professional Liability*:

Include coverage as follows:

"It is agreed that with respect to the Named Insured, this policy shall pay on behalf of the Insured all sums which the Insured shall become legally obligated to pay as damages on account of any claim made against the Insured caused by any negligent act, error, or omission of the Insured, or any other person for whose acts the Insured is legally liable in the performance of any professional services."

Have coverage include but, not be limited to, maintenance activities and educational services.

- Z. **Modify the “Expected or Intended Injury” and “Intentional Injury”/“Willful Violation of a Penal Statute or Ordinance” Exclusions** under Coverages A (Bodily Injury/Property Damage Liability) and B (Personal/Advertising Injury) respectively so that they apply to situations in which it is *expected or intended from Executive Officers of the Named Insured and committed by or with consent of the Executive Officers of the Named Insured*.
- AA. **Modify the “Expected or Intended Injury” Exclusion** under Coverage A so that an exception is provided for *both bodily injury and property damage resulting from an act intended to protect persons and property, or for assault and battery in relation to enforcement of Authority safety*.
- BB. Endorse coverage for *corporal punishment* as it relates to educational sessions (comparable to Endorsement CG 22 30 10 93).
- i. **Teachers’ Liability:**
Include coverage for all teachers. Refer to requests made under *Corporal Punishment and Incidental Medical/Counseling Malpractice Liability*.
- CC. Delete the *abuse & molestation* exclusion in its entirety (comparable to Endorsement CG 21 46 10 93). If this is not possible, then amend policy to provide coverage:
- i. The Quincy Housing Authority is not directly responsible in the allegation, but may have been acting in a supervisory or other capacity.
- ii. The individual(s) named as the responsible party in the allegation will be defended until such time as an adverse judgment is rendered.
- DD. Please quote *employment practices coverage* separately. Please refer to the *Public Officials’ Liability* Policy section.
- i. Include coverage for *Non-Employment Related Harassment* in this policy.
- EE. Consult with the Authority prior to the insurer relying on immunity as a legal defense: *Waiver of Governmental Immunity Endorsement (CG 24 14)*.
- FF. Include in a proposal for a fully-insured or deductible program a **Duty to Defend** clause comparable to the following: *In the event of “suit” against any insured which alleges multiple claims, causes of action or theories of recovery, one or more of which is covered by this contract and one or more of which is not covered by this contract, we still have the duty to defend against the un-covered claim(s) or, if a large deductible program, a duty to pay the defense of the uncovered claim (s).*
- GG. **Remove any Exclusion for property in the Insured’s care, custody or control.** If quoting Property, the Authority will accept such Property in the *Description of Property Covered* in lieu of this endorsement.
- HH. Indicate to what extent coverage for “Terrorism” is provided (“certified” and “non-certified” acts).

7. Services

Please describe any specific services offered. See *General Requirements/Submission Procedures* section.

8. Losses

See Loss Section.

9. Rating and Underwriting Information

Please quote on composite rate basis.

- A. *General Liability Exposure Sheet:* Included in General Liability Underwriting Information.
- B. *Locations:* See Property *Statement-of-Values* and “Public Notice” with construction and protection information.
- C. The *Appendix* has additional information.

General Liability Exposures

Unless indicated to the contrary, your quote and annual premium charge must be based upon the following. This data represents fiscal year ended 2013 factors.

1. Riverview, 180 units

The property consists of one, two, three and four bedroom units of family housing. There are four one bedroom units and five bedroom units of family housing which are wheelchair accessible/Completed in 1952.

2. Pagnano Towers, 156 units

This property is a 14-story building (elevator equipped) with one bedroom units, four of which are wheelchair accessible/Completed in 1971.

3. O'Brien Towers, 275 units

This property is an 8-story building (elevator equipped) with one bedroom units, ten of which are wheelchair accessible/Completed in 1971.

4. Drohan Apartments, 40 units

This property is a 3-story building (elevator equipped) with one bedroom units, ten of which are wheelchair accessible/Completed in 1980.

Total Units: 651

Public Officials' Liability

1. Policy Period

October 16, 2013 – October 16, 2014

2. Limits of Liability

\$1,000,000 each loss

\$3,000,000 aggregate

3. Deductible

\$10,000 per loss

Please provide alternative deductibles.

4. Terms and Conditions

In addition to the amendments listed in the *Terms Applicable to All Policies* section of these specifications, please include the following coverages:

A. Definitions

i. Hazard:

Include coverage for the hazards of "mental anguish/injury, emotional distress, humiliation, sickness, disease", etc. which result from a "Wrongful Act".

ii. Personal Injury:

Define to mean those hazards included for coverage under a "General" Liability policy. For instance, include coverage through all medium for *libel, slander, defamation of character, humiliation, invasion of privacy, wrongful detention*, etc. as these allegations relate to a "Wrongful Act."

iii. Cyber-Liability:

Indicate to what extent coverage is provided for loss sustained by any person who has his/her identity stolen or privacy invaded due to the unintentional release of personal information, such as a social security number, credit card number(s), etc.

iv. Include in the definition of "Insured" all past, present, and future lawfully appointed officials, employees or volunteers of the QHA; and the heirs and estates of deceased, incompetent, insolvent or bankrupt persons who were insured at the time of the "wrongful act." This includes persons providing services under mutual aid or similar agreements.

Include also the "Insured's" lawful spouse/domestic partner by virtue of his/her status as a lawful spouse/domestic partner.

v. Extend coverage to any "Insured" while acting either on behalf or incidentally *representing the Authority with any outside not-for-profit organization or entity.*

vi. *Include employees* of the Insured who are *working under contract* and **independent contractors** (if required by contract) within the definition of "Insured."

(Coordinate the definition of "Insured" with how it is defined within the General Liability Coverage Form)

- vii. Define "occurrence" as an "event."
 - viii. Include within the definition of "claim" any administrative proceeding.
 - ix. Include within the definition of "claim" an oral or written notice of a party's intent to hold an Insured responsible for a loss.
 - x. Include within the definition of "wrongful act" (as it relates to the discharge of duties for a Named Insured, individual or collective) a violation of civil rights, including employment. (no sub-limits).
 - xi. Include within the definition of "Wrongful Act" the following:
 - Any actual or alleged error or misstatement, or misleading statement or act or omission (including misfeasance, malfeasance and nonfeasance) by any insured as a public official or employee of the QHA.
 - a. This definition shall not exclude any alleged violation of anti-trust statutes.
 - xii. Define "damages" to include **punitive or exemplary damages**, unless prohibited by law.
 - xiii. Extend the *policy territory* to *worldwide*.
 - xiv. Expand coverage to include any *incidental professional liability* associated with maintenance or educational services who are acting within their scope of duties on behalf of the Authority (i.e.: failure to educate).
- B. Contain within the coverage form a "severability of interest" provision. This provision should state that, except for the limits of liability and the Insured's deductible assumption, the terms and conditions of the policy apply separately to each insured. There shall be *no exclusion for cross suits or counter suits, including derivative claims*.
- C. Allow the Insured to *waive* its right and its *insurer's right of recovery* up to the time that claim is made.
- D. Include coverage for *discrimination*.
- E. Encompass within the policy coverage provisions *employment activities* of the insured. This extension should contain, but not be limited to, wrongful termination (actual or constructive); discrimination; coercion; harassment (sexual or otherwise); discipline; breach of employment contract; inadvertent violation of wage laws; failure to accommodate for the purposes of the ADA or other civil rights laws; failure to promote or to hire; evaluation; reassignment; deprivation of career opportunity; violation of due process; retaliation (including lockouts); and invasion of the right of privacy.

Include within the coverage form protection against "Personal Injury" and "Bodily Injury" allegations which result from a "Wrongful Act": defamation, humiliation, false arrest, false imprisonment, libel, slander, wrongful eviction, assault & battery, and malicious prosecution. Delete any cross-claim/counter claims exclusions. Extend coverage for allegations for *loss of consortium*.

Include vicarious liability as it relates to claims made by or against lawful spouses/domestic partners of an “Insured”.

Apply coverage to any obligation to share damages with or repay someone else who must pay damages because of an offense.

- F. Include an *early intervention provision* to investigate and defend EEOC type actions against the Insured prior to any suit being filed.
- G. Delete the exclusion pertaining to “*back wages*”.
- H. Delete any *pollution* exclusion, especially as it relates to claims made by a “whistleblower”.
- I. Extend coverage for *allegations made by outside third parties for harassment* and the *invasion of the right of privacy*.
- J. Except for pending and prior litigation, cover *prior acts or occurrences*.

As it relates to prior or pending litigation, a re-filing of a claim against another insured must *not* be considered as a separate claim subject to the exclusion.

- K. Allow for **defense costs and claims expenses** to be paid *in addition to the limits of liability*. If a deductible applies, defense costs must not be subject to the deductible. There is no such requirement if the proposal reflects a self-insured retention.
- L. Include **defense coverage** for any suit or action brought about or contributed by the fraud, dishonesty, or bad faith of an Insured *until the case has been adjudicated and the allegations proven*. The *Duty-To-Defend* Provision should apply to “claims” and not just “suits”.
- M. Have the policy respond on a “*pay on behalf of*” basis rather than on an indemnification or reimbursement basis. There is no such requirement if the proposal reflects a self-insured retention.
- N. Apply the *deductible for multiple claims arising out of the same “wrongful act” or “incident”* as though they are one single claim.
- O. Include *Contractual Liability* coverage (including breach of contract).
- P. Include *defense of claims seeking non-money damages* (such as injunctive relief).
- Q. Delete the exclusion pertaining to the purchase and *maintenance of insurance*. A schedule of the insurance purchased by the Authority will be submitted to the underwriter, if requested.
- R. Include coverage for claims arising out of the *proposing or awarding of contracts*.

- S. *Apply coverage on a “primary” basis*, except as it applies to a self-insured retention plan or when the General Liability Policy owes the Insured a “duty-to-defend”.
- T. Coordinate *Professional Liability* coverage offered through the General Liability Coverage Part with that offered through this Coverage Part.
- U. Provide an exception to *the Inverse Condemnation and Eminent Domain* Exclusion for proceedings associated with physical injury to tangible property not owned by, rented or loaned to the insured. This would include compensation for diminution of value.
- V. Do not impose any retroactive date.
- W. Please indicate to what extent “*Terrorism*” coverage (“certified” and “non-certified”) is provided.

5. Services

Please describe any specific services offered. See *General Requirements/Submission Procedures* section.

6. Underwriting Data

A. General Information

i. Budget :

2012 - \$15,785,926 (Income)/Budget reflects increased capital grants from state and federal government.

2011 - \$15,510,920 (Income)/Budget reflects increased capital grants from state and federal government.

2010 - \$10,508,149 (Income)

ii. Fiscal Year Ends:

6/30/14

iii. Total Number of Employees:

32

iv. Does counsel and/or Authority attorney attend all meetings of the Board:

No

v. Is there a grievance procedure for employee disputes/complaints?

Yes

vi. Authority Commission:

5 members with five-year terms, including one appointed by the Governor.

- B. A schedule of all insurance policies will be provided to the successful proposer.

C. Operations Information

Has any of the following situations has occurred within the past 3 years:

- i. strike, slowdown, or other employee disruption:

No

- ii. layoff of employees or reductions in service:

No

- iii. any person, former employee, or job applicant claiming alleged unfair or improper treatment regarding employee hiring, remuneration, advancement, or termination of employment:

See Loss Report

- iv. disputes involving discrimination, or violation of civil rights:

See Loss Report.

D. Authorized Entity Representative

The official designated to receive any and all notices from the insurer to the entity concerning any policy issued as a result of this proposal process is James E. Lydon.

7. Losses

See Loss Section in *Appendix*.

Property

1. Policy Period

October 16, 2013 – October 16, 2014

2. Description of Property Covered

Cover the interest of the Insured in all real property, personal property, or equipment of the Insured or of others for which the Insured may be liable. This includes interest in buildings in the course of construction; alterations and repairs; and improvements and betterments in buildings owned, leased, or occupied by the Insured.

Include property below ground, foundations, water regulators, piping, drains, ejectors, flues, underground machinery/boilers, tanks, and costs of excavation. Include also awnings; fences; lights and poles; antennas; outdoor fixtures; trees and shrubs; bridges, tunnels, roadways, walkways, patios or other paved surfaces; patio walls and unattached retaining walls; glass; and signs.

All included whether or not attached to Real Property.

Include within the value of covered property reasonable architect and engineering fees incurred in the course of repairing or reconstructing damaged property.

While values of such property have been contemplated in the preparation of the statement of values, they have not been specifically identified. The schedule of insurance, therefore, is not to be a condition of coverage in any form.

*Property Claim Adjustment must comply with the **Davis-Bacon Act (40 U.S.C. 276a-276a5 and amendments thereof) Wage Rates/Prevailing Wage Rates** for repair and replacement of damaged property. The applicability of prevailing wage rates required by **42 U.S.C. Section 1437** shall be determined by the Regional Labor Relations Officer.*

Extend coverage to the interest of the Insured in, and the Insured's legal liability, for *real and personal property of others* in the Insured's custody or control (actual or constructive). This should include "Personal Effects". Have defense coverage included as part of this provision.

Identify any limitations concerning "Property Covered" and insured perils.

3. Form

Use Building and Personal Property Coverage Form #CP 00 10 10 90 or broader.

4. Direct Damage/Real and Personal Property

A. **Values:** See Property Schedule. This schedule outlines the locations of real and personal property owned or used by the Insured and their respective values. The total 100% real and personal property values are \$96,483,885. Apply a Blanket Limit to Real and Business Personal Property combined. The breakout of values is the following:

Bldg.: \$96,393,885

BPP: \$90,000

B. Perils Insured

- i. “All Risks” of loss or damage, including theft and water damage extension for sewer/drain backup, surface water and seepage. Arrange coverage on the standard bureau “Causes of Loss-Special Form” (CP 10 30) or its equivalent), excluding the perils of flood and earthquake.

- ii. Quote a *DIC form* separately:

Coverage	Occurrence	Aggregate	Deductible
Earth Movement	\$1,000,000	\$1,000,000	\$25,000
Flood	\$1,000,000	\$1,000,000	\$25,000

Quotes for higher limits are encouraged.

Flood coverage for a location situated within a “Special Flood Zone Hazard Area” must be excess of any coverage made available through the National Flood Insurance Plan.

It is the duty of the agent/broker to place any coverage eligible through the NFIP.

C. Settlement Basis

- i. *Buildings:*
Replacement Cost, including architect fees
- ii. *Personal Property:*
Replacement Cost
- iii. *Electronic Data Processing Equipment:*
Upgraded Value Cost.
- iv. *Inland Marine, including Contractors’ Equipment:*
Replacement Cost

If unavailable on a blanket basis, apply replacement cost compensation basis to items five years in age or less.

- v. *Unscheduled Fine Arts:*
Greater of Replacement Cost or Appraised Value

Include Claim Preparation Fees in all of the above.

D. Deductible:

Provide quotes with \$10,000 and \$25,000 deductibles each loss; and \$500 and \$1,000 deductibles each loss with Inland Marine. Other options will be considered. Flood and Earth Movement Deductibles have been specified. As previously stated regarding disclosure on limitations for insured perils, please specify any Named Storm and/or Wind Deductible.

Deductible must apply only once in any occurrence, regardless of the number of buildings or locations involved.

- i. In recognition of recent catastrophe models pertaining to Named Storm and/or Wind losses in coastal communities, the Authority would like to review flat deductible options in the event that it is appropriate to reduce loss retention below a % deductible.
- ii. Please indicate how such deductible applies, e.g. per building or per occurrence.

E. Coverage Requirements

- i. Include *property of others* in the insured's care, custody and control (including "personal effects") under *Blanket Building and Contents*
- ii. Include *Joint Loss Agreement* to coordinate coverage with Boiler & Machinery coverage, if not written with same insurer.
- iii. Permit a *waiver of subrogation* prior to loss. All rights of subrogation against all subsidiary and affiliated organizations must be waived.
- iv. Include an *Agreed Amount* endorsement (no co-insurance).
- v. Have *Sewer/Water Backup* coverage subject to the standard property deductible.
- vi. Do not impose a *Protective Safeguards* warranty
- vii. *Grant permission for unlimited vacancy and unoccupancy*. Confirm full coverage or identify time limits.
- viii. Indicate to what extent "*Terrorism*" coverage ("certified" and "non-certified") is provided.
- ix. Indicate to what extent there are limitations, if any, with the cleanup of "*fungus pathogens*".

5. Additional Coverages - Direct Damage

Please refer to *the Terms Applicable to All Policies* section of these specifications for those endorsements required on all policies. Also, please provide proposals for the following coverages:

A. Debris Removal Limitation:

Include coverage for an additional \$250,000 or 25% of the loss, whichever is greater.

B. Building Ordinance and Law Coverage:

Include Ordinance or Law coverage (Form CP 04 05 07 88 or its equivalent) as part of the policy. It is desirable to have the Blanket include the *Increased Cost of Construction* coverage. If not included, please provide a quote for \$1,000,000 or higher.

- i. Indicate to what extent coverage is provided to re-certify or re-commission a "green building".

C. New Locations/Acquisitions:

Arrange with full automatic coverage and no time limitations for all perils at full replacement cost for all real and personal property, including Inland Marine.

D. Electronic Data Processing (Business Electronic & Telecommunications Systems)

Coverage	Value	Deductible
Equipment, Media & Data	\$250,000	\$1,000
Extra Expense	Included	
In Transit	\$25,000	

Indicate to what extent coverage is provided for internet-related exposures, such as viruses, damage to domain, etc.

E. Off Premises, In Transit and On Exhibition:

Provide a quote for off premises, in transit and on exhibition coverage with a blanket basis at a \$100,000 Limit and \$1,000 Deductible. *Specify any limitations.*

F. Valuable Papers: Include EDP Media:

- i. Limit: \$250,000/loss - Blanket all locations
- ii. Perils: All Risks
- iii. Deductible: \$250/occurrence
- iv. Amend the Valuation Clause so that it includes labor to transcribe or copy records, even if a duplicate does not exist.
- v. Delete any protective safeguard requirement.

G. Accounts Receivable

- i. Limit: \$250,000 automatic
- ii. Deductible: \$250/occurrence
- iii. Delete any protective safeguard requirement.

H. Contractor's/Portable Emergency Equipment and Tools/Inland Marine

- i. *Unscheduled Limit:* \$100,000 Limit
(Please indicate if there is any limit per item or for classification of property.)
- ii. Deductible: \$1,000 (Quotes also with \$500 and \$5,000 Deductibles)
- iii. Include automatic coverage for *rented equipment*.
- iv. Include an *option for retail selling price* for hired/borrowed equipment.
- v. Include *rental expense reimbursement and recertification expense*.
- vi. Include *employee tools*.

I. Off-Premises Services:

Extend coverage to direct damage resulting from damage to off-premises power supply (including overhead transmission lines). Limit - \$100,000.

- i. Extend to *spoilage* of perishables due to on-premises or off-premises service interruption.

J. Unscheduled Fine Arts Floater:

Provide \$50,000 blanket coverage with a \$500 deductible. Include coverage for breakage.

- i. Indicate if there is any limit per item.

K. Fire Extinguishing Equipment: Confirm that coverage will be provided for damage caused by freezing.

L. Unscheduled Locations:

\$250,000	Building
\$100,000	Business Personal Property
\$100,000	Business Income/Extra Expense

6. Indirect Damage

All coverage is to be similarly arranged with All Risk, Blanket coverage, with no co-insurance or monthly limitation.

A. Business Income/Extra Expense

- i. Limit: \$1,000,000 blanket, all locations (including rental income)
 - ii. Additional Perils Insured
 - a. Failure of utility to supply gas, electric, etc., including oil
 - b. Off-Premises Power including Transmission Lines:
Extend coverage to include loss or damage to covered property and extra expense that result from physical damage to off-premises utility and power stations, including interruption in water, communications, and power supply services.
 - c. Extend coverage to pollutant clean-up and removal and debris removal.
 - d. Extend coverage to items which are insured on an Inland Marine Floater.
 - e. Extend to Ordinance or Law/Demolition and Increased Cost of Construction
 - iii. Do not impose any restriction on the Settlement Basis.
 - iv. Extend coverage to *evacuation expenses*.
 - v. Amend the *Extended Period of Indemnity* so that coverage applies if the Authority sustains a loss beyond the time the insured property is replaced or restored – 60 Day Minimum.
 - vi. Include a 24 Hour Waiting Period
- B. Pollution Clean Up and Removal (including cleanup of “fungal pathogens” And “bacteria”)**
- i. Limit: \$500,000 with no aggregate; if an aggregate is required, coverage should be quoted at \$1,000,000.

- ii. Coverage: Include “off premises” pollution if the cause of the pollution emanated from an on-premises, insured peril.
- iii. Deductible: Included in Property

7. Loss Adjustment Expenses

Extend coverage to include claim data preparation expenses for both direct and indirect damages incurred by the Quincy Housing Authority or its representatives for preparing and certifying details of a claim resulting from an insured loss. These expenses should include amounts incurred in utilizing the services of a public adjuster.

8. Loss Payees

The successful proposer is required to obtain proper schedules of Additional Insureds and Loss Payees.

9. Losses

See *Loss Section in Appendix*.

Property Statement of Values

See Appendix.

Boiler & Machinery

1. Policy Period

October 16, 2013 – October 16, 2014

2. Locations

See *Property Schedule*.

3. Objects Insured

Propose based on a comprehensive form covering all objects at all locations, including production machines; and extend automatic coverage for newly acquired and additional objects and locations with a broad form or occurrence accident definition.

4. Coverage Format

Arrange coverage on a “*Comprehensive Plus*” basis including “Production” Equipment Object Definition #7. The following modifications are required:

- A. Include the following under the definition of object:
 - i. “buried vessel or piping”
 - ii. “valves and equipment in underground vaults/pits”
(including submersible pumps)
- B. *Include transformers or electrical apparatus* owned by a public entity, whether or not located on the Named Insured’s premises.
- C. Include any boiler or pressure vessel mounted on mobile equipment;
- D. Include within the definition of mechanical or electrical machine or apparatus, etc. the following:
 - i. Fiber Optic Cable
 - ii. Robotics Equipment
 - iii. Supervisory Control and Data Acquisition Equipment (SCADA)
- E. Delete the *lightning* exclusion.
- F. Delete the *testing* exclusion.
- G. Supply *defense coverage in case of damage to personal property of others* (supplementary payment).

5. Definition of Accident

Define “Accident” to mean *a sudden and accidental breakdown of the “object” or part of the “object.”* At the time the breakdown occurs, it must manifest itself by physical damage to the “object” that necessitates repair or replacement.

6. Limits

All co-insurance provisions must be waived by endorsement.

Direct Damage:	Property Blanket Limit
Expediting Expense:	policy limits
Hazardous Substance:	\$1,000,000
Ammonia Contamination	policy limits
Water Damage:	policy limits
Consequential Damage (<i>including Spoilage</i>)	policy limits
Computer Equipment/Data Restoration	policy limits
Extra Expense/Business Income	policy limits

(Where necessary, coordinate terms and provisions with Property insurer)

7. Deductible

\$5,000 combined deductible/\$10,000 deductible may be proposed to match the Property Program

8. Loss Adjustment

Loss adjustments should be on a “repair or replacement” basis without deduction for depreciation.

9. Exceptions to the Policy Form

In addition to the amendments listed in the Terms Applicable to All Policies section of these specifications, please include the following coverages:

- A. Include *Joint Loss* agreement to coordinate coverage with the Property coverage if not written by the same insurer. The endorsement must be identical to that used by the “Property” insurer.
- B. Do not prejudice coverage with any *clean-up and repairs initiated by the insured* prior to company inspection and after a loss.
- C. Modify the “**suspension**” provision of the policy so that it requires that notice be given to the Executive Director of the Quincy Housing Authority in order to be valid.
- D. Provide *automatic coverage for new locations*. Extend coverage through the end of the policy period.
- E. Structure the *Peril Deletion Exclusion* endorsement so that it applies to the extent of coverage already being afforded by other policies covering the property of the Insured.
- F. Eliminate exclusion or provide specific coverage for any *increase in loss caused by or resulting from any **Ordinance Law or Regulation** relating to building repair or construction*. If this is not available, then an endorsement must be included to provide the following coverage:
 - i. Contingent Liability from the Operation of Building Laws
 - ii. Demolition Cost
 - iii. Increased Cost of Construction—it is permissible that the ICC coverage be subject to a \$1,000,000 sub-limit.

- iv. Have coverage trigger Business Interruption coverage.
- G. Include coverage for **costs of CFCs** lost due to an equipment breakdown; or, if less costly, the expense to convert or replace damaged equipment with CFC-free equipment.
- H. Provide additional coverage for necessary *enhanced performance or safety upgrades*.
- I. Include **jurisdictional inspection services** and related expenses in the premium charge.
- J. Apply the *Deliberate Acts* Exclusion to *Executive Director* and appointed or elected *Officers* only.

10. Service Interruption

Coordinate Coverage with Property Form.

Public Employees' Blanket Bond/Crime

1. Policy Period

October 16, 2013 – October 16, 2014

2. Limits and Deductibles

	<i>Limit</i>	<i>Deductible</i>
PUBLIC EMPLOYEES BLANKET BOND		
Faithful Performance—all employees	\$1,000,000	\$10,000
CRIME – Additional Coverages		
Loss Inside Premises	\$100,000	\$1,000
Loss Outside Premises	\$100,000	\$1,000
Forgery or Alteration	\$1,000,000	\$10,000
Computer Fraud/Funds Transfer Fraud	\$1,000,000	\$10,000
Third Party Fidelity	\$1,000,000	\$10,000
Money Order/Counterfeit Papers	\$100,000	\$1,000

(Coverages other than the Employee Blanket Bond are coverages not currently provided. The Authority will entertain quotes for the additional coverages listed above. The Authority will consider options on Limits and Deductibles)

3. Terms & Conditions

In addition to the amendments listed in the *Terms Applicable to All Policies* section of these specifications, please include the following coverage:

- A. Extend coverage to the Authority for its handling of funds of an *Authority endorsed committee*.
- B. Include under the definition of ***“Insured” persons engaged by the Authority temporarily from an independent firm or agency offering such services, and non- compensated employees and volunteers.***
- C. Include under the definition of ***“employee” any elected or appointed official.***
- D. Include under the definition of ***“employee” any former employee or official who has been retained as a consultant.***
- E. Include under the definition of ***“employee” lawful spouses and resident dependents of those employees and officials.***
- F. In addition to having coverage act as *excess coverage over any statutory bond requirement (CR 25 32) of the Authority Treasurer*, extend *Faithful Performance* protection to the activities of these offices. Include also an indemnification provision.

- G. Modify the *cancellation provisions* as they apply to employees accused of theft. They may apply:
 - i. only when the Executive Director is aware of an incident; and/or
 - ii. Upon the expiration of ninety (90) days subsequent to the resignation or the termination of an employee.
- H. Under the Forgery and Alteration Coverage, provide payment of *reasonable defense costs incurred if the Authority is pursued for failing to pay any of the "covered instruments" as a result of the forgery or alteration.*
- I. Define the *Insured's locations* under the policy as *any location owned, operated, or used by the Insured.*
- J. Value the Insured's property on a **replacement cost** basis.
- K. Include *all Employee Welfare and Pension Benefit Plans sponsored by the Quincy Housing Authority* (comply with ERISA requirements, if any, for separately administered non-profit boards). Furthermore, the definition of insured and employee should include the following:

Insured:

"It is agreed that the following are added as insureds: all employee welfare benefit plans and employee pension benefit or deferred compensation plans operated for the benefit of the employees of any insured under this policy"

Employee:

"The definition of "employee" is amended to include any natural person who is a director, administrator, officer, trustee or employee of any such plan with respect to loss sustained by such plan or an employee of an insured other than such plan with respect to loss sustained by such plan."

- L. Coordinate coverage for *indirect loss* with the Property carrier.

4. Statutory Bonds

In addition, the Quincy Housing Authority requires the successful agency or brokerage to aid them with the issuance of statutory bonds.

5. Underwriting Data

The successful proposer will be expected to complete the application for the company writing the policy and for signature of the Finance Director at the Quincy Housing Authority.

- A. Monthly Bank Reconciliations:

Yes

- B. Fee Accountant:

**Fenton, Ewald & Associates, Inc.
280 Hillside Avenue
Needham, MA 02494**

C. # of employees with check-signing authority:

All checks require two signatures. Additionally, the practice is to have one of those signatures be a Commissioner. There are four employees and all five commissioners with check-signing authority.

D. # of employees who handle money:

Rent collection is centralized in the Finance Office. Three employees in that office handle the rent. Additionally, the four property managers and the main office receptionist forward the collected rent to the Finance Office. Subsidies from the federal and state governments are deposited electronically.

Loss Summary

Valued as of: May 31, 2013 for Years 2010 – 2013
 August 8, 2013 for Years 2008 - 2010

	# of Claims	Paid Losses	Expenses	Reserves	Total Incurred*
General Liability					
2012-2013	0	\$0	\$0	\$0	\$0
2011-2012	0	\$0	\$0	\$0	\$0
2010-2011	0	\$0	\$0	\$0	\$0
2009-2010	0	\$0	\$0	\$0	\$0
2008-2009	0	\$0	\$0	\$0	\$0
Property (incl. IM, Crime & B&M)					
2013-2013	0	\$0	\$0	\$0	\$0
2011-2012	1	\$0	\$4,910	\$85,000	\$89,910
2010-2011	1	\$0	\$480	\$0	\$480
2009-2010	0	\$0	\$0	\$0	\$0
2008-2009	0	\$0	\$0	\$0	\$0
Public Officials Liability					
2012-2013	0	\$0	\$0	\$0	\$0
2011-2012	0	\$0	\$0	\$0	\$0
2010-2011	0	\$0	\$0	\$0	\$0
2009-2010	0	\$0	\$0	\$0	\$0
2008-2009	0	\$0	\$0	\$0	\$0
(* all claims are net of recoveries)					

Appendix

- Quincy Housing Authority: Public Notice
- Quincy Housing Authority: Instruction to Proposers
- Quincy Housing Authority Proposal Instructions and Forms
 - Certificate of Independent Premium Determination
 - Certificate of Non-Collusion and Tax Compliance Certification Form
 - Certificate of Vote of Authorization
 - Mandatory Contract Clauses for Small Purchases other than Construction
- Property Statement of Values
(“Public Notice” includes information on protection systems)
- Detailed Claim Reports
- Term and Provision Checklist