

Business Insurance Proposal

ISD #709 Duluth Public Schools

709 Portia Johnson Drive, Duluth, MN 55811

Presented By: Bob St. Arnold

Presented On: 06/27/2025

Policy Term: 08/01/2025 to 08/01/2026

Proposal Expires On: 08/01/2025

Premium Summary & Comparison

COVERAGE	CURRENT CARRIER	2024-2025 ANNUALIZED EXPIRING PREMIUMS	PROPOSED CARRIER	2025-2026 PROPOSED RENEWAL PREMIUMS	2025-2026 OPTION 2 CYBER
Package	Liberty Mutual		Liberty Mutual		
Property & Inland Marine		\$409,427		\$456,844	\$456,844
Crime		\$4,287	Hanover	\$3,205	\$3,205
General Liability		\$94,250		\$118,214	\$118,214
School Leaders E&O		\$140,791		\$154,806	\$154,806
Law Enforcement Legal Liability		\$1,500		\$1,500	\$1,500
Automobile	Liberty Mutual	\$88,187	Liberty Mutual	\$88,528	\$88,528
Workers' Compensation	Dakota Truck	\$121,796	Dakota Truck	\$150,199	\$150,199
Agency Fee – WC	MMA	\$25,000		\$25,000	\$25,000
Umbrella	Liberty Mutual	\$31,632	Liberty Mutual	\$33,593	\$33,593
Cyber	TMHCC	\$37,564.26 <i>Includes SLT/Fees</i>	TMHCC	\$33,838.34 <i>Includes SLT/Fees</i>	\$38,871.84 <i>Includes SLT/Fees</i>
Terrorism		<u>Rejected</u>		<u>Rejected</u>	<u>Rejected</u>
Total Estimated Annual Premium:		\$954,434.26		\$1,065,727.34	\$1,070,760.84

This is a summary of estimated premiums and is not a binding contract or a guarantee of issued costs. Additional limits of liability may be available upon request. If foreign coverage is proposed, the premium may be adjusted to reflect the currency rate at the time of the effective date.

Network Security & Privacy Liability

INSURED:	ISD #709 Duluth Public Schools
INSURER:	<i>Houston Casualty Company (TMHCC) (Non-Admitted)</i>
AM BEST RATING:	A++ XV (Superior)
POLICY FORM:	NetGuard Policy <u>NGP 1000 (4.2020)</u>
POLICY TERM:	August 1, 2025 to August 1, 2026

CLAIMS MADE COVERAGE	2024-2025 EXPIRING	2025-2026 OPTION 1	2025-2026 OPTION 2
LIMITS:			
Maximum Policy Aggregate	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000
Third Party Liability			
Multimedia Liability Coverage	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000
Security and Privacy Liability Coverage	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000
Privacy Regulatory Defense and Penalties Coverage	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000
PCI DSS Liability Coverage	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000
Bodily Injury Liability Coverage	\$ 250,000	\$ 250,000	\$ 250,000
Property Damage Liability Coverage	\$ 50,000	\$ 50,000	\$ 50,000
TCPA Defense Coverage	\$ 50,000	\$ 50,000	\$ 50,000
First Party Insuring Agreements			
Breach Event Costs Coverage	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000
Post Breach Remediation Costs Coverage	\$ 25,000	\$ 25,000	\$ 25,000
BrandGuard Coverage	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000
System Failure Coverage	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000
Dependent System Failure Coverage	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000
Cyber Extortion Coverage	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000
Cyber Crime Coverage			
Financial Fraud	\$ 250,000	\$ 250,000	\$ 500,000
Telecommunications and Utilities Fraud	\$ 250,000	\$ 250,000	\$ 500,000
Phishing Fraud Sublimits			
-Your Phishing Fraud Loss	\$ 250,000	\$ 250,000	\$ 500,000
-Client Phishing Fraud Loss	\$ 250,000	\$ 250,000	\$ 250,000
-Phishing Fraud Aggregate	\$ 250,000	\$ 250,000	\$ 250,000
Cyber Crime Aggregate	\$ 250,000	\$ 250,000	\$ 500,000
Bricking Loss Coverage	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000
Property Damage Loss Coverage	\$ 50,000	\$ 50,000	\$ 50,000
Reward Expenses Coverage	\$ 50,000	\$ 50,000	\$ 50,000
Court Attendance Costs Coverage	\$ 25,000	\$ 25,000	\$ 25,000
Additional Defense Costs Limit	N/A	N/A	N/A
Breach Event Costs Outside the Limit	Included	Included	Included

Network Security & Privacy Liability (Continued)

RETENTION:			
System Failure Waiting Period	8 Hours	8 Hours	8 Hours
Dependent System Failure Waiting Period	12 Hours	12 Hours	12 Hours
BrandGuard Waiting Period	14 Days	14 Days	14 Days
All Others, Each Claim	\$ 25,000	\$ 25,000	\$ 25,000
ANNUAL PREMIUM:	\$ 36,261.00	\$ 32,645	\$ 37,530
Policy Fee	\$ 195	\$ 195	\$ 195
Surplus Lines Tax	\$ 1,093.68	\$ 985.20	\$ 1,131.75
Surplus Lines Fee	\$ 14.58	\$ 13.20	\$ 15.09
TOTAL ANNUAL PREMIUM	\$ 37,564.26	\$ 33,838.34	\$ 38,871.84

RETROACTIVE DATE: Full Prior Acts

KNOWLEDGE DATE: August 1, 2024

TERMS AND CONDITIONS IN ADDITION TO THE POLICY FORM:

(Per Expiring, Unless Noted)

1. Amendment of Created or Acquired Subsidiaries Clause
 - Acquisition Threshold: 10%
2. Amendment of Other Insurance Provisions: Excess Insurance
3. Biometric Claims Sublimit
 - \$250,000 Each Biometric Claim/\$250,000 Aggregate
 - Deductible to Match Policy
 - Full Prior Acts
4. Dependent System Failure Non-IT Service Provider Sublimit: \$2,000,000 Per Claim & Aggregate
5. Nuclear Incident Exclusion
6. Policyholder Disclosure Notice of Terrorism Insurance Coverage
7. Service of Suit
8. War and Cyber Operation Exclusion
9. Cyber Crime Amendatory Undelivered Goods or Services – **NEW**
10. Cyber Extortion Amendatory: Pay on Behalf – **NEW**

SUBJECT TO:

- Written Request to Bind Coverage
- Signed Non-Admitted Carrier Acknowledgement Form
- Application signed within 45 days of Inception by CEO, COO, CFO, CTO, President, Owner, Executive members- Example: Vice President, General Managers/Operation Managers /Partners, Controller, General Counsel, Risk Manager, Principal, Treasurer, Director,

PAYMENT TERMS:

- Agency Bill: Annual Premium due at policy inception; Premium Financing Available Upon Request

Loss Control Services

MMA Loss Control Services provided during the 24-25 Policy term:

Safety Services 2024-2025:

- **Facility Safety Walkthrough** – Conducted a walkthrough of the DPS Transportation Building (711 Portia Johnson Dr.) and the Maintenance Building (713 Portia Johnson Dr.), focusing on machine guarding and OSHA compliance.
- **Respiratory Protection Training and Fit Testing** – Conducted respiratory protection training for three (3) facilities employees, emphasizing the importance of proper usage, storage, limitations, and other aspects of respiratory protection. This training was followed by a qualitative fit test to ensure that the respiratory protection equipment fits properly and safeguards employees from recognized hazards.
- **Noise Dosimetry** – Conducted a full day of noise sampling on three employees at Lowell Elementary School, including two Art Teachers and one First Grade teacher. Sampling utilized Svantek Personal Noise Dosimeters and was conducted throughout the entire teacher contract hours. The results and corrective action recommendations were compiled into an official report and submitted to Lexie Neff for review.
- **Indoor Air Quality (IAQ) Assessment** – Performed an air quality assessment at Duluth Denfeld High School in response to a grievance from a Physical Education teacher regarding a strong odor in the gymnasium. Lexie Neff, Christopher Stoffel, and I inspected the gymnasium storage closets, the Auto Shop that shares a wall with the gymnasium, the penthouse air handlers, and the rooftop fresh air intake and exhaust to address the concern. A report detailing my findings and recommendations was created and sent to Lexie Neff.
- **Wood / Respirable Dust Industrial Hygiene Sampling** – Conducted air sampling for respirable dust in the Industrial Technology and Construction classroom at Duluth East High School. Sampling was performed on one teacher during their student contact hours (8:50 AM – 2:37 PM) using personal air sampling pumps. The results and corrective action recommendations were compiled into an official report and sent to Lexie Neff for review and next steps.
- **Red Cross Adult First Aid / CPR / AED Certification** – One Red Cross Adult FA/CPR/AED Certification course has been conducted for ISD #709, with additional courses planned. Six employees from the District's Safety Committee received certification, which is valid for two years.
- **Lock Out Tag Out (LOTO) Safety Program Overhaul** – In collaboration with Lexie Neff, the District's LOTO safety program, training, and equipment-specific procedures are currently being updated. This project is ongoing.
- **Silica Safety Program Template** – A Silica Safety program template was provided to Lexie.

RAS Loss Control Services:

Wellness fair activity from 5/27/25:

1. RAS had information handout on End of School Year safety and Active participation with children
 - a. About 17 people actually took some of our handout materials including some from administration that planned to post the document and some from the teachers union.
 - b. More people took the "Play it Safe" information than the "End of School Year Safety"
2. We gave out hot/cold packs which were popular and provided a starting point for some discussion of personal first aid.
 - a. About 80 hot/cold packs were given away.
3. RAS conducted an informal survey with people who stopped by asking "Who would you talk to if you had Safety Questions or Concerns?"
 - a. Total of 138 people were talked to at the booth but some were not surveyed during the peak periods.
 - b. 116 people were verbally surveyed Highlights include
 - i. Safety Committee Member: NONE
 - ii. Safety Director/Lexie Neff: 9 primarily people in more administrative roles like nurse or office staff
 - iii. Unknown who to contact: 15
 - iv. Most chose Principal or Supervisor:

Who would you go to with Safety Questions or Concerns?

Safety Coordinator / Lexie Neff	16
Principal / Supervisor	55
Office Personnel	16
HR	5
Website	3
Building Engineer	4
Union	2
Don't know who	15
Safety Committee Member	0

Workers' Compensation Renewal Exhibit

Program	2024/2025 \$100,000 Deductible	2025/2026 \$100,000 Deductible
Aggregate	\$440,000	\$440,000
Premium	\$106,096	\$131,699
Claim Handling Fee	\$ 12,700	\$ 15,500
Loss Control Fee	\$ 3,000	\$ 3,000
Agency Fee	\$ 25,000	\$ 25,000
* Cost of Program	\$146,796	\$175,199
Estimated Payrolls	\$71,072,228	\$90,239,458
Composite Rate/\$100 (excluding TRIA)	\$ 0.128	\$ 0.1254

Policy Term Projected Cost of Risk as of	23/24 4/28/25	24/25 4/28/25	25/26 8/1/2025
Projected Losses within Ded.	\$104,053	\$138,237	\$135,359
Cost of Program	\$167,675	\$146,796	\$175,199
Total Cost of Risk	\$271,728	\$285,033	\$310,558

\$2500 Deductible 5 year average annual premium = \$503,766

Projected Cost of Risk is based on the most recent 5 years loss history

*cost of program includes RAS fees, MN Special Comp Fund premium, terrorism and expense constant

Workers' Compensation (Continued)

EXPERIENCE MODIFICATION FACTOR HISTORY:

POLICY TERM	EXPERIENCE MOD.
2025-2026	.67
2024-2025	.68
2023-2024	.78
2022-2023	.85
2021-2022	1.38
2020-2021	1.37