

PROPERTY & CASUALTY INSURANCE 2024-2025 PRESENTATION FOR Providence Forge I & II



Reducing the Cost of Risk - One Client at a Time

DISCLAIMER - The abbreviated outlines of coverage's used throughout this proposal are not intended to express any legal opinion as to the nature of coverage. They are only summaries of a basic understanding of the coverages provided. Please read your policy for specific details.

Introduction to KMRD:

KMRD Partners, Inc. is a property & casualty broker and risk management consulting firm with **a vision of reinventing the way clients interact with their insurance and risk management provider.**

KMRD brings broad experience in critical areas of risk management including:

- In-depth coverage reviews
- Coverage negotiation and policy placement
- Claims management
- Risk assessments
- Loss prevention
- Workflow and protocol development

The company's primary concern is to protect clients' assets by reducing the overall **cost of risk**. While the cost of risk concept is not unique, KMRD's approach to improving it is unique. KMRD's use of effective collaboration, technology and carefully considered, highly structured, plans, KMRD helps clients provides better protection at a reduced cost.

Unlike other insurance brokers who just provide insurance quotations, KMRD looks for the optimal risk management solution. Clients get better coverage that more effectively supports their interests and assets. Clients also gain a deeper understanding of their coverage, further reducing the likelihood of an unpleasant, uninsured, and expensive surprise. The result is a greater value for the insurance dollars spent.

The KMRD Approach

Our goal is to reduce the overall cost of risk for our clients. To do this we follow a three-tier disciplined approach when evaluating a risk management and insurance program:

1. **Coverage and Risk Control** – Broad coverage is essential. However, exposures which are not economical to insure should be complemented with other cost-effective risk transfer / risk control techniques.
2. **Communication & Collaboration** - Having an understanding of your risks and coverages reduces the likelihood of an expensive and uninsured surprise. Giving clients access and allowing them to contribute to the risk process has increased our ability to achieve results.
3. **Discipline & Accountability** - An effective risk management program includes highly structured protocols delivered by a team of internal and external risk management professionals who are accountable for strategies and decisions. Our collaboration system provides transparency and takes accountability to a new level.

The KMRD approach produces a *greater value for the insurance dollars spent, which results in a **reduction** in the overall cost of risk for the client.*

Our systems and protocols are designed to:

1. **Provide a Client Focus** – Our workflows and written service plans are designed to eliminate activities that are not client-focused while adding value to our clients' insurance and risk management programs.
2. **Create Accountability** – Our service plans and risk management initiatives are in writing and available to you instantly, online taking accountability to a whole new level. Our informed staff is available to discuss your policy or answer questions.
3. **Create a Partnership Environment** -- We become part of your management team. By assessing your risks and providing guidance and direction on technical insurance and risk management matters we help protect your business.

4. **Achieve Growth One Client at Time** -- We are not interested in simply placing insurance policies. We want to develop long-term relationships with clients to help them achieve their goals. We do this by:
 - a. **Strategically Implementing the Most Cost-Effective Means of Protection** through contractual risk transfer provisions, engineering, and accountability programs. We understand that insurance is the most expensive way to transfer risk.
 - b. **Understanding Our Clients' Needs.** We can better structure coverage and risk control programs by preparing outlines of our clients' exposures with their input before we design an insurance program for them. This step is often skipped in a typical agency price/transactional-oriented sales process.
5. **Ensure Quality Control** – We ensure our clients are purchasing insurance programs that will respond in a *predictable* manner. Our system enables us to improve the breadth and accuracy of client's policy through our quality control procedures.
 - a. **We Execute Coverage and Risk Control Fundamentals in a Disciplined Manner.** This may seem basic, but the execution of the fundamentals sets us apart.
 - b. We understand a company should always focus on risk control efforts and understand exposures not protected by their insurance program. We help a company understand its policy's limitations and point out what is **not** covered by insurance. Full disclosure provides quality control and a predictable result.

Our effectiveness as your representative in the insurance marketplace depends on our ability to learn from you and communicate a clear differentiation between your business and others.

Our Goals and Strategies:

At KMRD, we work hard to negotiate on your behalf in marketplace. Our goals are to obtain...

1. **Broad Coverage** – Our primary goal is to negotiate the broadest available coverage that supports your needs.
2. **Economic / Competitive Price** - Our access to many different carriers enables us to ensure your program is competitive from a pricing standpoint.

Thank you for the opportunity to present the results of our marketing efforts on your Property & Casualty Insurance Program. We start with a quick overview of the insurance marketplace affecting your renewal.

CHALLENGES & OPPORTUNITIES



Opportunity
Favorable loss
history

Opportunity
Improving Experience
Modification Factor
Improving from a .950
to .855

Opportunity
Risk Management
Accomplishments

Challenge
Market Conditions
Shrinking Capacity
Means Carriers are
Unwilling to Insure
Large Limit Property
Risks

Challenge
Property
Building
Valuations
Age of
Construction

Challenge
Auto Increases
Can't Keep Up with
Claims Severity
Escalating Jury
Awards

PROPERTY & CASUALTY INSURANCE

MARKET LANDSCAPE

Trends shaping the insurance industry in 2024.

- **Societal Impact – Escalating frequency and severity of global risks—from climate change to cybercrime—is intensifying focus on the insurance industry’s capacity and readiness to react as society’s “financial safety nets.”**
- **Proactivity taking center stage – Most insurers are realizing that reacting to risks may not be good enough and are undertaking transformation efforts aimed at preventing losses from happening in the first place (Deloitte Center for Financial Services)**

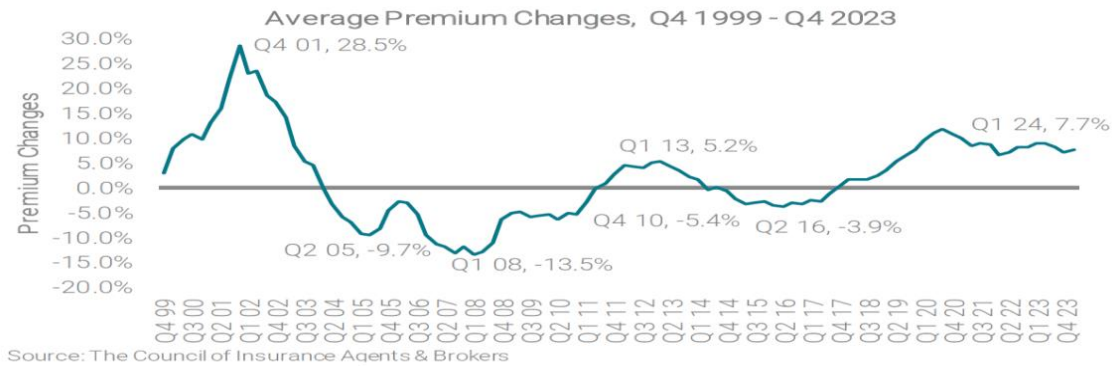
“Social instability, technological disruption, demographic shifts, and climate change are leading to a fractured world in which insurers have to cover a greater array and frequency of intensifying risks. In turn, these developments have resulted in major changes to the very fabric of the industry.” - PwC Insurance

Most Recent Council of Insurance Agents & Brokers’ Survey Results

Q1 2024 marked the 26th consecutive quarter of commercial property and casualty premium increases. Premiums increased by an average across all account sizes of 7.7%, with medium size accounts seeing 8.6% average increases and large accounts seeing 7.3% increases. (*Q1 2024 P/C Market Survey – The Council of Insurance Agents & Brokers (ciab.com)* Where \$=Premium: Small Accounts ~\$250k, Medium Accounts ~\$250k-\$1M, Large Accounts ~>\$1M)

SIGNIFICANT TAKEAWAYS:

- **Commercial Property average premiums increased in Q1 2024 by 10.1%, the highest of all lines of coverage**, notably down from 11.8% in the fourth quarter of 2023. Increases are attributed to issues with reinsurance pricing and capacity, increased claim frequency and severity due to climate change and natural catastrophes, and inflation creating the perfect storm.
- **Commercial Automobile average premiums increased by an average of 9.8%**, up from 7.3% in Q4 2023. Increases are due to three interlocking factors: vehicle repair cost inflation, the rise in nuclear verdicts, and shortage of truck drivers forcing companies to lower applicant standards, making accidents more likely.
- **Umbrella Liability premiums increased at 7.0% down from 7.3% in Q4 2023.**
- **Workers’ Compensation prices showed an average decrease of -1.8%**, often absorbing increases in other lines.



Coverage Specific Trends:

PROPERTY

Commercial property premiums increased by an average of 10.1% this past quarter, (SOURCE: CIAB Q1 2024 P&C MARKET SURVEY), “Respondents were clear the factors that contributed to high commercial property increases had not changed from the beginning of the year. According to a majority of respondents, **carriers justified the increases by pointing to issues with reinsurance capacity and pricing, as well as natural catastrophe losses driven by climate change. Inflation was also mentioned as a justification for premium increases** in a few responses from the Northeast and Midwest. These factors also drove further cuts to commercial property underwriting capacity. Sixty-four percent (64%) of respondents reported a decrease in capacity for the line, the ninth consecutive quarter where more than half of respondents said capacity fell. **Besides the caution for deploying capacity, underwriters also still sought updated property valuations and extensive information on property exposures such as roof age or wind exposure,** said respondents from the Midwest and Southeast.

AUTOMOBILE LIABILITY

Auto premium saw average premium increases in Q1 2024 of 9.8%, marking the 48th consecutive quarter of increased premiums for this line of coverage. CIAB Q1 2024 P&C Market Survey. Inflation is driving rate as cost of auto parts increases and availability of replacement parts, new and used cars is limited due to supply chain issues. Inflation is also pushing up administrative costs for filing claims and therefore, claims costs, which in turn is exerting upward pressure on pricing.

DIRECTORS AND OFFICERS LIABILITY

D&O average premiums were flat in Q1 2024 at -0.8%. CIAB Q1 2024 P&C Market Survey as capacity becomes available in the marketplace once again. Layered programs will find excess layer premiums increasing faster than primary ones. Underwriters are beginning to get competitive again when quoting new business if it fits their appetite.

UMBRELLA & EXCESS LIABILITY

Umbrella premiums increased an average of 7.0% in Q1 2024. CIAB Q1 2024 Report

Umbrella and Excess Liability have historically been underpriced. Due to recent years' claims activity (i.e. nuclear verdicts) caused by underlying claims in General Liability and Commercial Auto piercing the umbrella/excess limits, carriers continue to reduce capacity (limits) and introduce new exclusions. In particular for the educational institution sector, carriers are pulling back on limits, reducing their appetite and attaching sexual misconduct and traumatic brain injury exclusions. Carriers are requesting higher attachment points and thinner capacity layers, thus requiring more carriers involved in the tower. Insurers who were writing \$15M are now only writing \$10M primary, necessitating a layered program.

Coverage Summary:

Description	Eff. Date 5/1/2023 – Exp Date 5/1/2024
<u>Property</u>	Travelers – The Charter Oak Fire Insurance Company
Premises 1 Building All – Providence Forge	
Building Limit	\$64,794,978 – Blanket Limit
Contents	Included in Blanket Limit
Business Income & Extra Expense	\$576,890
Extended Business Income	90 Days
Valuation	Replacement Cost
Cause of Loss Form	Special
Coinsurance	Waived
Deductible	Building & Business Personal Property - \$25,000
Wind Deductible	\$25,000
Contractors Equipment – Schedule Provided	\$33,230 Total Limit \$250 Deductible Applies
Employee Dishonesty	\$250,000
Forgery or Alteration	\$250,000
Equipment Breakdown	Included \$25,000 Deductible Applies Subject to and not in Addition to the Applicable Limit of Insurance
<u>General Liability</u>	Travelers – The Charter Oak Fire Insurance Company
Per Occurrence Limit	\$1,000,000
Personal & Advertising Injury Limit	\$1,000,000
General Aggregate Limit	\$2,000,000
Products & Completed Operations Aggregate Limit	\$2,000,000
Fire Legal Liability Limit	\$300,000
Medical Expense Limit	\$5,000
Employment Practices Liability	\$100,000
ID Fraud Expense Coverage	\$2,500
Directors & Officers	\$1,000,000
<u>CyberFirst Coverage – Information Security Liability</u>	Travelers – The Charter Oak Fire Insurance Company
Aggregate Limit	\$250,000
Each Wrongful Act	\$250,000 Limit \$1,000 Deductible
Breach Essentials Security Breach Notification Remediation Expenses Payment Card Expenses Crisis Management Services Expenses	\$100,000 Limit \$1,000 Deductible Subject to and not in Addition to the Applicable Limit of Insurance

KMRD PARTNERS

Risk Management & Human Capital Solutions

Description	Eff. Date 5/1/2023 – Exp Date 5/1/2024
<u>Business Auto</u>	Travelers – The Charter Oak Fire Insurance Company
Per Occurrence Limit	\$1,000,000
Uninsured Motorist/Underinsured Motorists Limit	\$1,000,000
Comprehensive / Collision Deductibles	\$250 / \$1,000 Actual Cash Value Less Deductible
Schedule of Drivers	Dennis Mahoney Alan Block Cindy Bevan-Wilson Kenneth Oister
Hired & Non-Owned Liability	Included
Medical Expenses – Extraordinary	\$1,000,000
Vehicles	2009 Chevrolet Silverado 1GBJK74K29E128960
<u>Umbrella</u>	Travelers – The Charter Oak Fire Insurance Company
Per Occurrence Limit	\$3,000,000
Aggregate Limit	\$3,000,000
Self-Insured Retention Applicable to Claims Not Covered By The Underlying Policy	\$5,000
Underlying Coverages	Employers Liability General Liability Auto Liability
<u>Workers Compensation</u>	The Hartford
Workers Compensation Limit	Unlimited medical and wage benefits as defined by state statute.
Employers Liability Limits	Bodily Injury by Accident \$500,000 – Each Accident Bodily Injury by Disease \$500,000 – Policy Limit Bodily Injury by Disease \$500,000 – Each Employee
Payroll Summary	PA Apartment House or Condominium Complex Operation -0880 - \$116,505 – 5.44 PA Clerical – \$46,615 - .23
Experience Mod.	.855

THIS RENEWAL COMPARISON IS NOT TO REPLACE OR ALTER TERMS AND CONDITIONS OF POLICY. PLEASE REFER TO POLICY LANGUAGE FOR EXACT TERMS AND CONDITIONS.

Inland Marine/Contractors Equipment Schedule:

Item #	Description of Property	Limit of Insurance	Values that fall below the \$250 Deductible
1	GATOR UTILITY VEH, 6X4TH, W06X5HD008516	\$8,782	
2	V-BLADE XU104	\$1,861	
3	JOHN DEERE HPX 1MOOHPXGSPGM140762	\$12,794	
4	LPFBPPTJDI HEAVY DUTY BLADE	\$3,149	
5	LPWBK72 POWERTACH	\$49	\$49
6	LPPWBK72 POWERTACH POLY	\$312	
7	BM23608 CAB HEATER	\$1,033	
8	VGB10547 CAB HEATER	\$73	\$73
9	BM26111 DELUXE POLY DOOR	\$2,361	
10	BM25445 DELUXE POLY DOOR	\$277	\$277
11	BM23534 WINDSHIELD WASHER	\$184	\$184
12	VGB10038 1.25 IN REAR RECEIVER	\$120	\$120
13	BM23989 DRAWBAR 1.25 IN	\$38	\$38
14	VGB10544 HEAVY DUTY FRONT	\$260	\$260
15	BM22449 HIGH CAPACITY ALTERNATOR	\$376	
16	BM25049 BEDINER CARGO BOX	\$337	
17	LP49055 3CU FT SALT SPREADER	\$725	
18	LP49241 SPREADER HITCH AND CONTROL	\$499	
		\$33,230	\$1,001

Additional Umbrella Limits are Available:

UMBRELLA COVERAGES

COVERAGES	LIMIT*	SELF-INSURED RETENTION	PREMIUM
Umbrella			
Requested Umbrella	\$3,000,000	\$5000	\$5,032.00
Optional Limits	\$4,000,000	\$5000	\$6,032.00
	\$5,000,000	\$5000	\$7,032.00
	\$6,000,000	\$5000	\$7,882.00
	\$7,000,000	\$5000	\$8,732.00
Taxes and Surcharges			\$.00
TOTAL PREMIUM			\$5,032.00

*Umbrella Limit may be subject to Underwriting Approval.

Summary of Our Efforts:

The following is an outline of the insurance companies we approached:

	INSURANCE COMPANY	RESULTS
1.	Acuity	Acuity declined to offer a proposal due to the geographical concentration of values and number of buildings.
2.	AIC Insure	AIC Insure declined to offer a quote as they would not be able to compete with Travelers renewal pricing.
3.	Cincinnati Insurance	Cincinnati Insurance declined to offer a proposal due to the age of the buildings along with them being non-sprinklered.
4.	GenStar	GenStar indicated they would only be willing to insure \$5M of the total property limit.
5.	Hadron	Hadron declined to offer a proposal due to the overall property insurance value exceeding \$40,000,000.
6.	Harford Mutual	Harford Mutual declined due to restricting their capacity on habitational related accounts.
7.	Hartford	The Hartford declined as they are currently not a market for new business habitational risks.
8.	Liberty Mutual	Liberty Mutual declined due the age of construction of the buildings.
9.	Merchants	Merchants declined due to the habitational nature of the risk.
10.	Middle Oak	Middle Oak declined due to the age of the buildings being older than 1985.
11.	Philadelphia Insurance	Philadelphia Insurance declined due to the presence of aluminum wiring.
12.	RSUI	RSUI indicated they would only be willing to insure \$5M of the total property limit.
13.	Selective	Selective declined due the overall size and complexity of the risk including the barn and swimming pool.
14.	Seneca	Seneca indicated they would only be willing to insure \$5M of the total property limit.

INSURANCE COMPANY		RESULTS
15.	USLI	USLI declined due to exceeding their property capacity.
16.	Utica	Utica declined due to not being a market for habitational and property markets of this size.
17.	Westfield Insurance	Westfield Insurance declined due to the large total insured value for framed construction.
18.	Zurich	Zurich indicated pricing which would not be competitive with the proposal received from Travelers.

Note from AmWins Wholesale Philadelphia Office:

If Travelers is offering renewal terms for this risk, count your blessings. I recently quoted a Frame condo with a Total Insured Value of about \$28m that is similar to this risk. Building the first \$20m took about 4 carriers alone as no one wanted to deploy more than \$2.5m-\$5m in capacity. If I were to take this to market, the premium for the primary \$5m would be about \$170k.

Carriers are still being conservative with their line sizes when it comes to Frame Habitational and are not deploying much capacity. RSUI, Seneca and GenStar are some of the bigger Habitational markets and for the risk I mentioned above, they would only deploy \$5m. Then once you start adding up the taxes and fees for each carrier, we would be much higher than Travelers.

Summary of Pricing:

Line of Business	2023-2024 Travelers	2024-2025 Travelers with Travelers Workers Compensation	2024-2025 Travelers with Hartford Workers Compensation
Package Policy – General Liability, Property, Directors & Officers, Cyber	\$153,597	\$179,605	\$179,605
Business Auto	\$2,067	\$2,177	\$2,177
Umbrella	\$5,581	\$5,032	\$5,032
Workers Compensation	\$7,217	\$6,390	\$6,664
Total:	\$168,462	\$193,204 14.6% Increase	\$193,478 14.8% Increase

Travelers Insurance began the renewal pricing for the 2024-2025 policy term by offering the following premiums:

- Commercial Package - \$189,068
- Business Auto - \$2,177
- Workers Compensation \$7,462
- Commercial Umbrella - \$5,232

Travelers' initial renewal indication was for a 21.2% premium increase primarily driven by the need to increase rates due to the current challenges within the habitational market segment. We were successful in negotiating a 15.3% increase with Travelers citing favorable recent claims history and customer loyalty as a long-standing insured or a 14.8% increase if we move the Workers Compensation coverage to The Hartford.

Closing:

While we take great pride in delivering the program proposed to you today, ***the service aspect of our partnership*** is where the difference between providers becomes clear.

It is important to recognize that in any annual renewal transaction, there are carriers and/or brokers who will make an effort to “**buy**” your business through a one year low price offer, or a low cost program stripped of much of the coverage that best protects you from having uncovered claims. **In the long run, the party most damaged in that process is the client.**

Our process is successful because we develop relationships, with both clients and carriers that focus on supporting the goals of:

1. Stable, reasoned pricing;
2. Broad coverage; and
3. Ease of program administration.

The result is pricing that is not as subject to the cyclical market swings that our industry exhibits from time to time, coverage that survives renewal transactions, and processes that makes insurance easier to manage for all parties.

Thank you again for the opportunity to exceed your expectations. We look forward to your questions and to your authority to bind coverage on your behalf.

Your Service Team

<i>Contact</i>	<i>Role</i>	<i>Direct Dial and Email</i>
Andrew Zonin Account Manger	Limerick Account Manager	Office: (484)-971-4516 azonin@kmrddpartners.com
Jeremy Hahn Account Manager	Limerick Account Manager	Office: (484) 971-4174 jhahn@kmrddpartners.com
Lisa Simon, CISR Account Manager	Limerick Account Manager	Office: (484) 971-4520 LSimon@kmrddpartners.com

Management

<i>Contact</i>	<i>Role</i>	<i>Direct Dial and Email</i>
Robert Dietzel, ARM	Managing Partner & Founder	Office: (267) 482-8386 Mobile: (215) 518-3290 BDietzel@kmrddpartners.com
Kevin McPoyle, CIC	President & Founder	Office: (267) 482-8331 Mobile: (215) 802-0595 KMcPoyle@kmrddpartners.com
Keith Boyer, ARM, AIC	Managing Partner	Office: (267) 482-8450 Mobile : (610) 291-8260

Claims Reporting Instructions

WORKERS' COMPENSATION & AUTO

We recommend reporting Workers Compensation claims directly to the carrier within 24 hours of the incident to ensure prompt and proper care of your employees. You will be receiving this information directly from your carrier.

When calling 1-800 numbers be ready with items such as the date and time of the accident, employee name, social security number, date of birth, policy number (if you have it available), and location of accident.

If there are any claims that are questionable or raise a red flag, please make us aware of your concerns with a phone call so that we can make sure the claim gets the attention it deserves.

GENERAL LIABILITY, PROPERTY, & OTHERS

Remit all Lawsuits / General Liability / Property and Other claims to your ACCOUNT MANAGER at KMRD Partners, Inc. so we can assist in positioning the claims for coverage by either of the following:

Emergency Claims Reporting Procedures

Definition of an Emergency:

Below are the criteria the phone service will use to determine whether they will contact a KMRD representative during non-business hours:

1. Fatality (*if work related, see note on page 2 regarding mandatory OSHA reporting requirement*).
2. Severe or multiple injuries requiring hospitalization.
3. Serious head injury
4. Severe Burns
5. Paralysis
6. Amputation
7. Eye Injury
8. Serious multi-vehicle accidents with people hurt or injured.
9. Building Uninhabitable or Severely Damaged
10. Business Unable to open or operate.
11. Fire at Home or Business
12. Severe Water Damage from broken pipes, flooding etc...
13. Sewer or Waste Damage
14. Loss due to Pollution
15. Caller insists or requests to speak with agent.

If an Emergency occurs, contact your Claims Advocate. If during off – hours your claims advocate does not answer dial KMRD Emergency Claims Number.

1-866-240-4868

Things to Consider

The following are “thought starters” including insurance solutions to business risks you may not be aware of. We would be pleased to review any or all of these coverages in greater detail, as well as pursue a quotation if requested.

PROPERTY / FIRST PARTY COVERAGES

1. **Active Assailant / Shooter Coverage** – Coverage for physical damage including potential expenses incurred with tearing down, closing or relocating a building – business interruption, medical costs – which may include costs for psychological counseling post-attack, and loss of attraction or brand rehabilitation expenses resulting from an altercation.
2. **Builders Risk** – Property coverage for property while under construction.
3. **Business Interruption Coverage Due to Suspension of Off Premises Utility Services** – Typical property policies either exclude coverage for these perils or invoke limitations in the form of sublimits, waiting period deductibles, and overhead transmission line exclusions. We recommend you review this with us to fully understand your coverage, options, and suggested alternative risk mitigation strategies.
4. **Business Interruption & Property Damage Coverage Due to A Pandemic** – If a pandemic (similar to COVID-19) could cause a significant reduction in our revenue/profit, we suggest you allow us to pursue an option for this coverage.
5. **Trade Credit or “Bad Debt” Insurance** – Coverage for uncollectible accounts receivable.
6. **Catastrophe Physical Damage** – Coverage for the risk of damage to multiple vehicles from one occurrence such as vandalism or a catastrophic incident.
7. **Crime – Increased Limits** – Keep in mind, a crime loss can take place over period of years. However, coverage is restricted to the limit in force at the time the loss is discovered. Also keep in mind that ERISA requires you purchase employee dishonesty coverage (aka ERISA BOND) to protect your plan assets with a limit equal to 10% of your plan’s assets or \$500,000 whichever is less. If your plan holds employer securities and was created after January 1, 2008, ERISA requires a \$1,000,000 minimum limit.
8. **Crime – Agent’s Rider** – Coverage provided by the standard crime policy does not provide coverage for the theft of money or securities from a vendor in which you entrust your funds such as payroll companies who escrow your payroll taxes, 401(k) administrators, outsourced CFO/Controllers, mergers and acquisitions transactions involving escrow accounts or prepayment of freight or other services etc. If your vendor absconds with your funds, you are not covered without this endorsement.
9. **Supply Chain/ Trade Disruption** – Coverage for economic losses arising out of a disruption in your supply chain from perils such as, catastrophe’s affecting freight costs/ timing, political intervention, or key supplier or customer insolvency. This coverage can be secured in Lloyd’s of London but is subject to a significant amount of underwriting information and is done in connection with Miller Insurance Services, LLP in London

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10. **Personal Cyber Coverage** – KMRD has partnership with HSB offers “My Cyber Protection™” insurance for identity theft, online fraud, data breach, extortion, home title protection, cyberbullying counseling and WhiteHaX®, an App which assists with protecting your home network and devices. To apply access <https://www.mycyberprotection.com/kmrd/en/homepage.html>

 11. **Excess Flood** – The coverage offered by the National Flood Insurance Program (NFIP) may not be adequate to cover your exposure.

 12. **Earthquake Coverage** – Available in most areas on a sub-limit basis except in California and the New Madrid zone, where additional underwriting is required.

 13. **Fine Arts** – Coverage for the market /stated value of art or furniture etc. rather than “replacement cost for like kind and quality”.

 14. **Flood Through the National Flood Program (NFIP)** – Flood Coverage is often only available through this federally supported program.

 15. **Installation Floater** – Needed to cover materials while stored on a jobsite and being installed.

 16. **Leasehold Interest Coverage** – Protects a tenant from the financial consequences following the loss of a favorable lease due to a covered cause of loss.

 17. **Lease Balance Deficiency** – Covers shortfall in lease obligations when a covered auto is totaled.

 18. **Ocean Cargo** – Coverage for shipments of goods to/from the United States.

 19. **Ocean Cargo Export Contingency** – Coverage applies in the event the other party’s (supplier/customers) program is insufficient.

 20. **Political Risk** – for governmental seizure / interference to foreign assets or operations.

 21. **Trailer Interchange** – Physical damage coverage for containers/trailers owned by others.

 22. **Truckers Liability / Motor Truck Cargo** – Needed if you haul for others.

 23. **Warehousemen's Legal Liability** – If you are in the business of storage of others goods/property for a fee.

 24. **Weather Insurance / Snow Removal / Cost Containment Insurance** – These programs can be structured to assist with funding snow removal and other related expenses if the season is worse than expected. Typically these programs pay a fixed amount of money for each whole inch that is recorded beyond a selected deductible up to a maximum. These programs can also be designed to assist snow removal contractors if an agreed upon snow level is not met.

 25. **Riggers Liability** – If you lift materials for others whether for a fee or not.

LIABILITY / THIRD PARTY COVERAGES

26. **Active Assailant / Shooter Coverage** – Coverage for medical costs which may include costs for psychological counseling post-attach, legal liability, funeral expenses and death benefits for victims as a result of an altercation.
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27. **Appeal Gap Contingency Insurance** – This is a product that can be used to protect against the financial impact of a verdict, judgment, arbitration award or agency determination favorable to an insured in the event that an arbitration or litigation or other proceeding reversed the ruling on appeal. There are two policies available:
- The “**Offensive**” **APPEAL GAPS Policy** is designed to respond to situations where you are the plaintiff in the litigation or other proceeding and seek protection against the damages or other amounts awarded to you being reduced or reversed due to an appeal of a verdict, judgment, arbitration award or agency determination.
 - The “**Defensive**” **APPEAL GAPS Policy** is designed to respond to situations where you are the defendant in the litigation or other proceeding and seek protection against the reversal of a decision in your favor (i.e. a finding of no liability) due to an appeal of the verdict, judgment, arbitration award or agency determination.
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28. **Asbestos Liability** – Coverage for claims surrounding asbestos related exposures.
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29. **Broad Form Vendors Liability** – Automatic additional insured status for customers/ distributors of your products as long as they do not alter your product in any way.
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30. **Broad Form Drive Other Car Coverage** – This coverage is critical to those with a company vehicle and do not have a personal auto policy on another vehicle. This endorsement amends the Business Auto coverage to follow the named person rather than the vehicle.
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31. **Business Travel Accident** – This coverage is a benefit provided to your employees while traveling on company business. The core coverage is Accidental Death & Dismemberment but can be enhanced to include other benefits as well. It can be written to include coverage for a specific class of employees (i.e. all officers / all sales representatives) or for individuals.
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32. **Captives** – KMRD is one of a very select group of brokers with access to several well-funded property & casualty insurance captives. We can also assist you in exploring a captive approach to your employee benefits through our partnership with Pareto Captive Services. These alternative risk financing techniques are attractive for companies with a risk appetite and the desire to access underwriting profits and tax advantages as an owner of the insurance entity. [[MAC Casualty Ltd.](#), [Churchill Casualty Ltd.](#), [Elite Distributors Insurance Company \(EDIC\)](#), [Pareto Captive Services](#)]
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33. **Copyright and Trademark Infringement Liability** – For defense and damage allegations of infringement of copyright or trademark.
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34. **Corporate Counsel – Professional Liability** – Professional liability coverage for the actions of an in-house attorney.
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35. **Discontinued Products / Completed Operations Liability** – If you are discontinuing an operation or product, and/or, selling all or a portion of a company it is important to consider the liabilities which remain. Even if your product was made decades ago, an Occurrence policy will protect you against Bodily Injury and Property Damage from your product failures, but only if the policy is still in force. Occurrence policies, just like Claims-Made policies, must be in force when the Occurrence happens in order to provide coverage. Discontinued Products policies can be written for one to five years into the future. They even will cover claims that happened before the sale of your business, that you did not know had happened, at the time of the business was sold.
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36. **Discrimination Coverage for Lessors of Real Estate** – This coverage applies to allegations of discrimination by third parties/tenants. There are specialty companies that provide this coverage for lessors of real estate.
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37. **Garage Liability and Garagekeepers Legal Liability** – If you are in the business of working on/parking vehicles owned by others.
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38. **Employee Identity Theft Liability / Expense Reimbursement Coverage** – Coverage can apply to customer and/or employees to reimburse them for lost wages, and other expenses relating to identity theft. This is a program provided by Travelers. This is not to be confused with E-Commerce/Cyber Liability Insurance.
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39. **Independent Directors Liability** – Coverage for individuals that service on outside boards.
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40. **Individual Named Insured Endorsement on Auto Policy** – If a vehicle is titled personally and insured by your commercial insurance program, this endorsement corrects gaps in coverage including liability coverage for your family members, fellow employee coverage, and coverage for non-owned and hired auto liability.
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41. **Kidnap and Ransom** – Covers expenses / ransom and provides professional expertise in the event of an incident.
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42. **Liquor Liability** – Needed if you are **in the business** of manufacturing/selling liquor.
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43. **Manufacturer’s Errors & Omission Liability Coverage** – As technology continues to automate processes in industrial and manufacturing equipment through the use of software, programmable controls, and electronic circuitry and components, the exposure to loss due to a pure financial loss is greater. General Liability coverage may create potential coverage gaps. This new coverage enhancement complements the insurer’s General Liability policy to provide a solution.
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44. **Marine Operations Business Interruption** – Coverage for loss of profits of a marine terminal or port authority resulting from denial of access to your facilities. AIG offers this unique coverage form.
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45. **Monopolistic State Workers’ Compensation** – Mandatory coverage in the states of North Dakota, Ohio, Washington & Wyoming.
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46. **Non-Owned Aircraft Liability** – Coverage for the liability associated with the chartering / use of aircraft.
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47. **Owners and Contractors Protective** – A general liability policy written in your customer’s name for a specific project as required by contract.
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48. **Patent Infringement Liability** – Can cover both offense and defensive cost of Patent infringement of your products or allegations of infringement by you.
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49. **Pollution Legal Liability** – Can be written for on-site or off-site pollution liability for injury to persons or property.
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50. **Railroad Protective Liability** – for projects next to railroads, usually required by contract.
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51. **Representations and Warranties Liability** – Can be used to insure the claw-back provisions in a sales agreement. This can be set up to protect or replace an escrow requirement or a liability in excess of the escrow.
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52. **RetroWRAP- DIC** – Retroactive coverage to subcontractors involved in OCIP/CCIP projects which were completed as many as seven years ago.
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53. **Successor Liability** – If you are buying a company, it is important to consider the liabilities of the existing business. The imposition of the liability for injury or damaged caused by products manufactured / work done prior to the sale should be evaluated closely.
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54. **Umbrella Liability Increased Limits** – It is a difficult to gauge how much coverage is enough in today’s litigious environment.
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55. **Wharfinger’s Liability** – Needed if you own /rent a dock.
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OTHER COVERAGES & CONSIDERATIONS

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56. **Accident, Death & Dismemberment (AD&D) Insurance** – These policies can be written to pay defined medical benefits to “third parties” such as volunteers, students, clients, while participating in activities under your supervision.
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57. **Buy–Sell Disability & Key Man Life Insurance** – If your company’s assets or future success is dependent on the health and contribution of a key employee or shareholder with a buy/sell agreement, we recommend you allow us to assist you in defining the exposure and exploring risk transfer solutions such as key man life and disability insurance programs.
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58. **Employee Benefits and Human Capital Solutions**– KMRD is uniquely qualified to analyze, design, build, and implement client-centric employee benefits and HR solutions which improve an organization’s ability to attract, retain and motivate talent.
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59. **CNA Equipment Maintenance Program** – How many maintenance contracts do you purchase? These programs are a unique alternative to traditional equipment maintenance agreements offered by original equipment manufacturers (OEMs). The program consolidates all extended equipment maintenance agreements under one agreement, offering one renewal and billing date, consistent terms and conditions, and an online portal to manage maintenance histories. If you are currently utilizing the traditional approach, these programs save on average 15% – 20% while creating more transparency of information and ease of administration.
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60. **Individual Life Insurance** – Protecting loved ones is the main purpose of life insurance but there are significant tax benefits to a properly structured estate plan.
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61. **International Controlled Master Program** – Integrates your foreign insurance program with your domestic program for more consistency/predictability of coverage.
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62. **International Package** – Needed to cover claims / suits occurring/made overseas. Also provides coverage for employees while traveling / temporary assignments overseas.
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63. **New York Disability** – Short Term disability insurance that is mandatory if you have employees in the state of New York.
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64. **Occupational Accident Coverage (Loss Sensitive Programs Only)** – This is an accident-only reimbursement policy designed to protect against losses with the risk-sharing layer of a workers compensation program. While the workers compensation loss fund pays for routine medical and disability losses, it can be insufficient for shock losses, resulting from serious accidents. This coverage will assist in funding these types of losses.
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65. **Personal Guarantee Insurance** – This policy is intended protect your personal assets as a personal guarantor of a business loan. After the commercial assets have been liquidated to pay the lender, this policy will cover up to 50% of your exposure.
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66. **Personal Lines** – Often executives and business owners spend more time focusing on protecting the assets of their corporation than protecting their personal assets. We recommend that you allow us to review your personal insurance program.
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67. **Group Excess Liability** – Excess liability limits can be offered to the executives, business owners and their employees on a group basis. These limits are over the individual’s personal liability policies such as the homeowners and personal auto insurance.
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68. **Products Recall** – Expenses to recall your defective product that may cause injury to others.
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69. **Tenant Deposit Insurance / Tenant Lease Default Insurance** - Provides coverage for certain unsatisfied leasehold obligations. Typical coverages include tenant caused damages in excess of normal wear and tear, failure to comply with terms of lease, and/or the costs associated with bankruptcy, workouts or tenant evictions. This insurance can take the place of security deposits or letters of credit and relieve the costs associated with the segregation of deposit funds required in most states.
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70. **Voluntary Benefits Programs / College Tuition Rewards Program** – Offering your employees individualized health and disability advice and protection through payroll deduction programs at no cost to you. KMRD is affiliated with Colonial Life’s College Tuition Benefit Program which provides College Tuition Benefits via the [Sage Scholars Tuition Reward Program](#) equal to 5% of the 401(k) / 401 3(b) each year to all employees in exchange for offering their products to your employees.
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71. **Warranty Insurance and Administration** – The offering of warranties and extended warranties to customers that is insured and can also be packaged with a customer service component.
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72. **Watercraft Coverage** – Needed if you own / operate watercraft.
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OTHER RISK RELATED CONSIDERATIONS

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73. **Background / Motor Vehicle Record Checks** – KMRD has partnered with GlobalHR to assist you with easy online ordering of background investigations, motor vehicle reports, etc. Access your “Client Center” on KMRD’s website for more information and pricing.
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74. **BBS Track™** - This application is a complete behavior-based safety management system and risk management solution. You can build Job Hazard Analyses (JHA’s), develop safety observation checklists, and record the results of your on-site audits. BBS Track will help you comply with safety regulations, OSHA’s Voluntary Protection Programs, and create a proactive safety culture to reduce incidents, claims, and losses.
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75. **Computer Systems Vulnerability Assessment** – Cyber related events involving systems breaches are prevalent and widely publicized by the media. KMRD negotiated 2 fixed fee assessment options with Compass Cyber Security. Option 1 includes a gap analysis of your existing corporate policies versus best practices, employee awareness and mock-phishing exercise, host discovery scans, network vulnerability scans, and web application vulnerability scans at a cost of \$6,500 for less than 100 IP Devices, \$8,800 for 101 to 300, \$11,400 for 301 to 500 and \$16,500 for 501 to 750. Many gaps are found in subsequently corrected, an additional 15% (20% total) discount is available.
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76. **COI Track™ Vendor Certificate of Insurance Tracking System** – KMRD has access to a well-designed tracking program designed to alleviate the burden of tracking your vendor’s certificates of insurance.
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77. **Crisis / Issues Management** – Before a crisis strikes, establish a clear communication process, issues management protocols, and trained spokespeople. Then perform drills on the plan.
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78. **First-Tier Disaster Recovery Support** – Companies such as Agility Recovery Services can provide 4 key elements of recovery: Power, Technology, Work Space and Connectivity when you need it for a relatively low monthly cost. As part of their service, they will assist you in creating or analyzing the first stages of your disaster recovery program.
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79. **Fuel Management** – Strategic fuel management programs are no longer a luxury. Whether you have a fleet of trucks, buses or construction vehicles, or simply heating an office building, a sound fuel management plan can deliver savings.
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80. **The HR Library** – A database to aid compliance with federal and state labor laws and regulations including COBRA, HIPAA, FMLA, USERRA, ADA, and Health Care Reform. Access sample policies and forms, employment law resources, HR productivity tools, Health Care Reform updates and HR News alerts.
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81. **Immigration Compliance Audit & Compliance Management** – The key to defending against any immigration related government investigation is being able to demonstrate a strong history of commitment to responsible compliance.
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82. **Incident Track™** - Document, track, and submit claims reports on all types of recordable incidents, accidents, and near misses. This application is fully HIPAA-compliant and also allows for automated incident reporting, all OSHA Logs, First Reports of Injury, and more.
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83. **Job Description Track™** - Job description creation and management is also an important component of a behavior-based safety program. Well-developed job descriptions not only clarify roles and expectations, they help provide staff motivation and engagement, and ensure employee behavior is focused appropriately on safety and injury prevention.
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84. **Personal Wealth Risk Assessment** - Similar to KMRD, our partner utilizes a detailed process based approach (rather than product based) to summarize and assess the risks to your personal wealth / balance sheet.
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85. **The Risk Management Library** - This easy-to-use Library of documents provides instant access to over 2,000 bilingual risk management and safety policies, procedures, training programs, training shorts, posters, quizzes, and checklists that can be used for risk assessment and management and to create a safety-first work environment.
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86. **SDS Track™** - The SDS Track application provides employee access to chemical safety data sheets (SDS’s), as required by law. If your organization uses chemicals or other hazardous materials, you have the responsibility to ensure employees have access to, and knowledge of, the substances they handle. SDS Track provides an automated solution that ensures OSHA compliance.
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87. **Social Media Risks and Strategies** – Social media is an easy and immediate way of communicating to the public anything that is on one's mind. Establish strategies to utilize this tool, monitor what is said about you on the web, and react to negative content about our company.
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88. **Surety Bonds** – Delivering a bond is not the only purpose served by a bonding agent. Market knowledge, financial expertise, and the ability to match a company's bonding needs with a surety willing and capable of doing so is a must.
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89. **Surveillance and Security** - Security Surveillance Systems (Camera Systems), Security System Service and Upgrades, Consulting and Security Assessments, Security System Rentals, Covert Camera Systems and Loss Prevention Products. Our systems range from simple video camera systems to state-of-the-art intelligent video tracking facial recognition systems.
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90. **Talent Attraction, Acquisition & Tracking** – Talent attraction can be one of the most critical factors in the success and failure of a company. Lack of a talent tracking system can lead to lost opportunities and even lawsuits. KMRD utilizes TalentSum to assist us in maintaining a strong pipeline of talent while reducing our reliance on expensive outside recruiters.
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91. **Training Track™** - This application is a risk management solution that provides an easy way for you to develop, deliver, and document organization-specific safety training courses. This ensures that your employee training process becomes the cornerstone of your risk management process.
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92. **Vehicle Maintenance Programs** - If you have a fleet of 25 or more vehicles maintenance expenses and administration can be burdensome but critical to your employee's safety, as well as the safety of others. Outsourcing to CCM (*a Strategic Partner*) will not only ensure adequate maintenance is done more easily, but can almost always guarantee savings while taking some of this burden utilizing their efficient systems, expertise and purchasing power.
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93. **Workplace Wellness Programs** - Help employees improve and sustain their health by making better, healthier and safer lifestyle choices and decisions (related to nutrition, weight control, exercise, smoking, stress, substance abuse and physical safety
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