

# **FY2016 Package Insurance Overview**

**07/01/2015 – 07/01/2016**

**Risk Management Division (RMD)  
Department of Administration  
310 Centennial Office Building, 658 Cedar Street  
St. Paul, MN 55155**

**[www.mn.gov/admin/risk](http://www.mn.gov/admin/risk)**

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Contact us to discuss the renewal or to receive assistance with your other insurance needs. We are available to discuss by phone or meet one-on-one.

Visit our website for copies of our *Alert* Newsletters, Annual Report, extra Applications, Loss Reporting forms, Certificate Request form, Coverage Change Request form, General Insurance Requirements for State of MN Vendors and Contractors, and the Enterprise Rent-A-Car Company Contracts:

[www.mn.gov/admin/risk](http://www.mn.gov/admin/risk)

# OVERVIEW OF AVAILABLE RMD PACKAGE COVERAGES

## I. Property and Boiler & Machinery Coverage

### A. Property

- Per Occurrence Policy Limit: Per Schedule on File with RMD
  
- Causes of Loss: “All Risk” Subject to Policy Exclusions
  
- Valuation: Replacement Cost
  
- Coinsurance: Nil
  
- Deductible Options:
 

\$ 250,000	\$ 10,000
\$ 100,000	\$ 5,000
\$ 75,000	\$ 2,500
\$ 50,000	\$ 1,000
\$ 25,000	\$ 500
  
- Covered Losses
  - Real and Personal Property
  - Newly Acquired Locations
  - Builder’s Risk
  - Cyber Asset & Income - \$25,000 Per Occurrence/Annual Aggregate (**Additional Limits may be purchased**)
  - Legal Liability for Property in your Care, Custody, and Control
  - Personal Property belonging to officials and employees that is on the premises and is associated with enhancing the operation or mission of the agency
  - Leasehold Interest
  - Valuable Papers and Records
  - Accounts Receivable
  - Extra Expense - \$75,000,000 per occurrence shared with all insured agencies (**additional limits may be purchased. Completion of worksheet is required for additional limits.**)
  - Business Income/Rental Income - \$500,000 per agency/insured (**additional limits may be purchased. Completion of worksheet is required for additional limits.**)
  - On and Off-Premises Service Interruption
  - Period of Indemnity Extension
  - Contingent Business Interruption
  - Interruption by Civil Authority
  - Ingress/Egress
  - Transportation
  - Electronic and/or Computer Equipment
  - Flood/Earthquake (Excluding CA Earthquake)
  
- Exclusions
  - Aircraft (must purchase separately)
  - Land

**Definition of Construction Classes**  
**(for use in completing/updating the Property Schedule)**

<b>Frame</b> – Exterior walls, floors, ceilings and roof constructed of wooden materials.
<b>Joisted Masonry</b> – Brick or block walls with wooden roofs or floors.
<b>Noncombustible</b> – Walls constructed of metal or other noncombustible materials. Floors, ceilings, and roof constructed of metal or wooden materials.
<b>Masonry Noncombustible</b> – Walls, roof, and ceiling constructed of non-combustible materials (e.g., concrete walls and metal roof).
<b>Modified Fire Resistive</b> – Noncombustible materials having fire rated elements (e.g., masonry bearing structure with steel stud walls and steel bar joists for floor and roof).
<b>Fire Resistive</b> – All building elements are concrete noncombustible with fire resistive rating (e.g., high-rises).

**B. Boiler and Machinery (Included)**

● Limit Per Accident (Comprehensive Coverage):	Per Schedule on File with RMD
● Deductible:	Same as Property deductible
● Coverages Available:	
Expediting Expenses	Damage to Media
Service Interruption	Business Interruption
Spoilage	Extra Expense
Ammonia Contamination	Errors & Omissions
Water Damage	Property Damage
Hazardous Substance	Newly Acquired Property
Ordinance or Law	

**C. Inland Marine**

The Risk Management Fund (RMF) provides “all-risk” coverage on property such as Fine Arts, Computer Equipment, Scoreboards, Radio & TV Equipment, Musical Instruments, etc. The covered losses are the same as for Property coverage (see above). We use Inland Marine coverage to insure items that you may want to cover at lower deductible levels than your Property insurance.

**D. Crime (Included)**

● Employee Dishonesty:	\$ 25,000
● Money & Securities:	\$ 25,000
● Deductible:	\$ 1,000
● *Employee Dishonesty (limit options):	\$ 100,000
	\$ 500,000
	\$ 1,000,000
● *Money & Securities (limit options):	\$ 100,000
	\$ 500,000
	\$ 1,000,000

*\*Contact RMD for an Excess Crime Application if you want to increase Crime limits for an additional premium.*

The following coverages are also available under the Excess Crime Policy:

- Forgery & Alteration
- Robbery & Safe Burglary for Property other than Money & Securities
- Computer Fraud
- Wire Transfer Fraud
- Counterfeit Currency

### E. Cyber Coverage – First Party (Included)

- Cyber Asset and Income – per occurrence: \$ 25,000
- Cyber Asset and Income – annual aggregate: \$ 25,000
  
- Deductible: \$ 1,000

Contact RMD for a Cyber Application if you want to increase Cyber limits for an additional premium.

### F. Garagekeepers Legal Liability

- Limit of Coverage: Based on Desired Limit
  
- Deductible: \$ 500 Per Auto  
\$ 5,000 Maximum  
Deductible Per Loss
  
- Coverages:  
Coverage Provided on Legal Liability Basis  
Comprehensive and Collision Coverage
  
- Exclusions:  
Contract Liability  
Intentional or Expected Loss  
Dishonest Acts by you, your employees or your shareholders  
Defective Parts and Faulty Work

Loss to tape decks, other sound equipment, sound receiving equipment, CB radios, antennas and other accessories unless permanently installed in a covered auto. Radar Detection Equipment, tapes, records, CDs, DVDs or other devices designed for use with sound reproducing equipment, whether installed or not.

## II. General Liability and Other Liability Coverages

### A. General Liability

Limits as set by Minnesota Statute

- Bodily Injury & Property damage – Per Person \$ 500,000
- Bodily Injury & Property Damage – Per Occurrence \$ 1,500,000
  
- Deductible: None

### B. Cyber Liability – Third Party (Included)

- Cyber Liability – Per Claim \$ 100,000
- Cyber Liability – Annual Aggregate \$ 100,000
  
- Deductible: None

Contact RMD for a Cyber Application if you want to increase Cyber limits for an additional premium.

### C. Additional Liability Coverages Available

- Law Enforcement Liability
- Public Officials' Errors & Omissions
- Broadcaster's Liability

### III. Available Purchased Insurance

#### A. Student Intern Professional Liability (for Minnesota State Colleges & Universities only)

- Limits of Liability: \$ 2,000,000 Each Claim  
\$ 5,000,000 Aggregate
- Defense Costs: Included within Limit
- Form: Occurrence
- Additional Insured: Board of Trustees of  
Minnesota State  
Colleges & Universities

#### B. Additional Purchased Coverages Available

- Aircraft/Aviation Liability & Hull Coverage
- Bonds (Various)
- Crime – Additional Limits
- Cyber – Additional Limits
- Malpractice Coverage (e.g., Campus Clinics)
- Vendors’/Builders’ Warranty Coverage

#### Other

- **Loss Runs**

Loss Runs are made available upon request.

- **Certificates of Insurance and Self-Insured Letters**

Reminder: We discontinued issuing agency-to-agency certificates of insurance and self-insured letters in FY2011. Issuing these documents to one state agency on behalf of another state agency has little value. All agencies are insured through the RMF for Auto Liability and many are also insured for General Liability. Agencies that are not insured through the RMF for General Liability are “self-insured” – they look to their budgets to pay claims and associated expenses for bodily injury and property damage to third parties. Injuries to state employees are covered under the state’s workers’ compensation self-insurance program. Consequently, it is not necessary for agencies to require evidence of insurance from each other.

All other requests for Certificates of Insurance and Self-Insured letters are being processed in the same manner as in the past and we continue to honor agency-to-agency requests for evidence of insurance from quasi-state agencies.

*The descriptions of insurance coverages herein do not amend, alter, or replace the terms, conditions, exclusions, and other provisions of policies that would be issued to you, nor do they amend or replace any applicable laws, regulations, rating rules, or plans.*

#### **Sole Authority**

The RMF Claims Unit has sole authority with respect to the adjustment, coverage evaluation, and valuation of losses.