

ADDENDUM
REGULAR MEETING OF THE MAYOR AND BOARD OF
ALDERPERSONS April 16, 2024

- I. Consider approving property insurance renewal from Betz Rosetti & Associates
in the amount of \$415,832.92 and amend the budget accordingly as there is a 4.5% increase.

As requested by Marian Governor, City Clerk.



AGENDA REQUEST FORM

(MUST BE EMAILED)

DATE OF MEETING: 4.16.24

REQUESTING DEPARTMENT: Finance Administration

REQUEST LOCATION ON AGENDA:

Administrative	<input checked="" type="checkbox"/>
Requesting Department	<input type="checkbox"/>
Consent	<input type="checkbox"/>
Executive Session	<input type="checkbox"/>
Other _____	<input type="checkbox"/>

FUNDS TO BE PAID OUT OF:

Capital Improvement Fund	<input type="checkbox"/>
BP Fund	<input type="checkbox"/>
001- ____ - ____	<input type="checkbox"/>
Other _____	<input type="checkbox"/>

AGENDA REQUEST: ATTACHMENT(S) Yes No

Consider approving property insurance renewal from Betz Rosetti & Associates in the amount of \$415,832.92 and amend the budget accordingly as there is a 4.5% increase

, as requested by Marian Governor, City Clerk.

(approving, accepting, hearing from, discussing, appointing, declaring, awarding, making, rescinding, ratifying, correcting, etc.)

APPROVED

ADDITIONAL INFORMATION NEEDED

**INSURANCE PROPOSAL
PREPARED FOR:**

CITY OF PASS CHRISTIAN
200 West Scenic Drive
Pass Christian MS 39571

PRESENTED BY:
Albert Betz, CIC, ACI

BETZ ROSETTI
& ASSOCIATES

INSURANCE AND RISK SOLUTIONS

2304 19th Street, Suite 102
Gulfport MS 39501
Phone: (228) 701-0200
www.betzrosetti.com

DISCLAIMER - The abbreviated outlines of coverages used throughout this proposal are not intended to express any legal opinion as to the nature of coverage. They are only visuals to a basic understanding of coverages. This is only a summary and the terms and conditions of any policy issued will take precedence over the proposal.

SERVICING TEAM

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Producer

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Claims Manager

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LOCATION SCHEDULE

Issuing Company: United Specialty Insurance Company
 Evanston Insurance Company
 Palomar Excess & Surplus Insurance Company

Policy Term: 4/29/2024 - 4/29/2025

Loc # Bldg # Address

1	1	200 W Scenic Drive Pass Christian MS 39571
2	1	111 Hiern Ave Pass Christian MS 39571
3	1	105 Hiern Ave Pass Christian MS 39571
4	1	525 Espy Ave Pass Christian MS 39571
5	1	315 Clark Ave Pass Christian MS 39571
6	1	200 West North Street Pass Christian MS 39571
7	1	399 East Scenic Dr Pass Christian MS 39571
8	1	524 Bayview Ave Pass Christian MS 39571
9	1	416 Market Street Pass Christian MS 39571
10	1	115 S Market Street Pass Christian MS 39571
11	1	285 E Harbor Dr Pass Christian MS 39571
12	1	808 E Second St Pass Christian MS 39571
13	1	207 Fleitas Ave Pass Christian MS 39571
13	2	207 Fleitas Ave Pass Christian MS 39571
50	1	401 Espy Avenue Pass Christian MS 39571
50	2	401 Espy Avenue Pass Christian MS 39571
50	3	401 Espy Avenue Pass Christian MS 39571
51	1	328 East Second Street Pass Christian MS 39571

PROPERTY LIMITS

Loc #	Bldg #	Subject of Insurance	Amount	Coins	Ded	Valuation	Wind Ded
1	1	Business Personal Property	\$190,000		10,000	Replacement Cost	10% NS 1% AOW
1	1	Building	\$1,799,468		10,000	Replacement Cost	10% NS 1% AOW
2	1	Building	\$2,833,265		10,000	Replacement Cost	10% NS 1% AOW
3	1	Business Personal Property	\$120,000		10,000	Replacement Cost	10% NS 1% AOW
3	1	Building	\$1,312,921		10,000	Replacement Cost	10% NS 1% AOW
4	1	Business Personal Property	\$100,000		10,000	Replacement Cost	10% NS 1% AOW
4	1	Building	\$4,181,000		10,000	Replacement Cost	10% NS 1% AOW
5	1	Business Personal Property	\$100,000		10,000	Replacement Cost	10% NS 1% AOW
5	1	Building	\$1,921,170		10,000	Replacement Cost	10% NS 1% AOW
6	1	Business Personal Property	\$59,407		10,000	Replacement Cost	10% NS 1% AOW
6	1	Building	\$645,990		10,000	Replacement Cost	10% NS 1% AOW
7	1	Building	\$136,670		10,000	Replacement Cost	10% NS 1% AOW
8	1	Building	\$32,000		10,000	Replacement Cost	10% NS 1% AOW

9	1	Building	\$19,000		10,000	Replacement Cost	10% NS 1% AOW
10	1	Business Personal Property	\$100,000		10,000	Replacement Cost	10% NS 1% AOW
10	1	Building	\$500,000		10,000	Replacement Cost	10% NS 1% AOW
11	1	Building	\$145,500		10,000	Replacement Cost	10% NS 1% AOW
12	1	Building	\$10,000		10,000	Replacement Cost	10% NS 1% AOW
13	1	Building	\$206,200		10,000	Replacement Cost	10% NS 1% AOW
13	2	Building	\$125,000		10,000	Replacement Cost	10% NS 1% AOW
50	1	Target Shed	\$10,000		10,000	Replacement Cost	10% NS 1% AOW
50	2	Business Personal Property	\$50,000		10,000	Replacement Cost	10% NS 1% AOW
50	2	Tower	\$100,000		10,000	Replacement Cost	10% NS 1% AOW
50	3	Business Personal Property	\$25,000		10,000	Replacement Cost	10% NS 1% AOW
50	3	Walkway	\$40,000		10,000	Replacement Cost	10% NS 1% AOW
50	3	Building	\$100,000		10,000	Replacement Cost	10% NS 1% AOW
51	1	Equipment	\$225,000		10,000	Replacement Cost	10% NS 1% AOW

COMMERCIAL PROPERTY TERMS & CONDITIONS – 1ST LAYER

35% Minimum Earned Premium

All Fees are 100% Fully Earned and Non-Refundable

VRU COMMERCIAL PROPERTY COMPREHENSIVE FORM

VRU-037-0323 Policyholder Notification – Fraud Notice

VRU-038-0816 Policyholder Notification – Privacy Notice

General Complaint 0620 Policyholder Notification - General Complaint

VRU-041-0224 General Property Declaration (Syndicated)

VRU-017-0124 VRU Commercial Property Comprehensive Form

VRU-001-0224 Service Of Suit (Syndicated)

VRU-003-0316 Office of Foreign Assets Control

VRU-006-1121 Minimum Earned and Special CAT Minimum Earned Premium

VRU-011-0516 Claims Reporting Information Notice

VRU-012-0224 Allocation Endorsement

VRU-015-0821 TRIA Acceptance Notice

VRU-016-0821 TRIA Rejection Notice

VRU-031-0822 Protective Safeguards Endorsement

VRU-032-1122 Roof Valuation Endorsement

VRU-054-0122 Cyber Suite Endorsement

VRU-057-0718 Total Or Constructive Loss Earned Premium Condition

VRU-067-1219 Several Liability Clause

VRU-068-0122 Property Cyber and Data Exclusion Modified for the Purchase of Cyber Suite

VRU-075-1120 Sanction Limitation and Exclusion Clause

VRU-076-0224 Certain Underwriters at Lloyds & Other Insurers Subscribing to Binding Authority UMR B604510568622024 List

VRU-078-0823 Anti-Public Adjuster Endorsement

VRU-079-0721 Restricted Assignment of Post-Loss Benefits

111-111-1111 VRU Coverage Change Endorsement

All buildings with outstanding damage are excluded. Contact UW if waiver is needed

By binding coverage, it is represented that locations are not vacant. Please contact your underwriter for exceptions.

Storm Surge is excluded

Velocity is not responsible for jurisdictional inspections.

No inspections are required.

The following VRU Coverage Change Endorsement(s) apply:

Sewer Pumps are sublimited to \$250,000 per occurrence

Roof Valuation Endorsement

All Roof Coverings: 12 years

The Protective Safeguard Endorsement applies

Other – Heating, Ventilation and Air Conditioning at all times

Other – Aluminum Wiring – pigtailed or retrofitted

Automatic Sprinkler Systems

Automatic Fire Alarm

Central Station Burglar Alarm

Anti Public Adjuster Endorsement VRU-078 this form DOES NOT APPLY to the extent it conflicts with Texas Law

COMMERCIAL PROPERTY TERMS & CONDITIONS – 2ND LAYER

35% Minimum Earned Premium

All Fees are 100% Fully Earned and Non-Refundable

Priority of payments and drop-down wording is included in our Excess Follow Form MECF005

30-day notice of cancellation unless subject to compliance with state requirement. 10-day notice of cancellation for non-payment of premium

Excludes all foreign locations and exposures.

No new business or increased coverage on in-force business shall be bound on properties within 100 miles of tidal waters when a tropical storm or hurricane is within the boundaries West of 70 degrees West Longitude and North of 15 degrees North Latitude.

Quote is subject to disclosure of any claims or occurrences which may affect this policy which the applicant shall become aware of subsequent to the application date and prior to the inception date of coverage for this quote.

Policy Jacket

Privacy Notice

Notice to Policyholders Claim Reporting

US Treasury Department's Office of Foreign Assets Control (OFAC) Advisory Notice to Policyholders

Forms Schedule

Property Declarations

Excess Property Coverage Form

Exclusion – Cyber Incident

Occurrence Limit of Liability – Excess – Percentage of Insured Value Per Item: 100

Additional Property Exclusions and Conditions

Flood Definition

Minimum Earned Premium for Exposure to Hurricanes

Earth Movement Definition

Exclusion of Certified Acts of terrorism

Exclusion – Asbestos

Exclusion – Equipment Breakdown

Exclusion – Biological, Radiological or Chemical Materials

Exclusion – Flood

Exclusion – Pollution

Exclusion – Organic Pathogens

Exclusion – Earth Movement

Exclusion – Territorial

Exclusion – Governmental Action and War

Exclusion – Sanctions

Exclusion – Cyber Incident and Electronic Data with Ensuing Fire and Explosion Exceptions

Arbitration Condition

Service of Suit

COMMERCIAL PROPERTY TERMS & CONDITIONS – 3RD LAYER

\$10,000 Minimum Earned Premium

All Fees are 100% Fully Earned and Non-Refundable

EXCESS PROPERTY DECLARATIONS PESIC ELP-1001 01 22

EXCESS PROPERTY COVERAGE FORM (FOLLOWING FORM) PESIC ELP-1002 01 22

COMMON POLICY CONDITIONS PESIC ELP-1003 01 22

COMMERCIAL PROPERTY CONDITIONS PESIC ELP-1004 01 22

ELECTRONICALLY DELIVERED POLICIES PESIC ELP-1005 01 22

OFFICE OF FOREIGN ASSETS CONTROL ("OFAC") PESIC ELP-1006 01 22

ECONOMIC AND TRADE SANCTIONS CLAUSE PESIC ELP-1007 01 22

SURPLUS LINES POLICY NOTICE PESIC ELP-DOI

IMPORTANT NOTICE - SURPLUS COMPLAINT PESIC ELP-COMPLAINT

SERVICE OF SUIT CLAUSE PESIC-SOS V20_09

ASBESTOS EXCLUSION PESIC-ELP-1101 01 22

BIOLOGICAL OR CHEMICAL MATERIALS EXCLUSION PESIC-ELP-1102 01 22

BREAKDOWN EXCLUSION PESIC-ELP-1103 01 22

CYBER AND COMPUTER RELATED LOSS EXCLUSION PESIC-ELP-1104 01 22

EARTH MOVEMENT EXCLUSION PESIC-ELP-1105 01 22

EARTH MOVEMENT SPRINKLER LEAKAGE EXCLUSION PESIC-ELP-1120 01 22

EXISTING DAMAGE EXCLUSION PESIC-ELP-1125 01 22

PATHOGENIC OR POISONOUS BIOLOGICAL OR CHEMICAL MATERIALS EXCLUSION PESIC-ELP-1109 01 22

FLOOD AND RELATED WATER DAMAGE EXCLUSION PESIC-ELP-1110 01 22

FUNGUS, WET ROT, DRY ROT AND BACTERIA EXCLUSION PESIC-ELP-1111 01 22

MICROORGANISM EXCLUSION PESIC-ELP-1113 01 22

OCCURRENCE LIMIT OF LIABILITY (INCL. MARGIN CLAUSE) PESIC-ELP-1114 01 22

POLLUTION EXCLUSION PESIC-ELP-1116 01 22

ADDITIONAL INTEREST ENDORSEMENT PESIC-ELP-1126 10 23

TERRORISM EXCLUSION (ABSOLUTE) PESIC-ELP-1128 11 28

IMPORTANT NOTICE - IN WITNESS CLAUSE PESIC-SIG/WIT V20_07

CLAIM REPORTING PROCEDURES ELP CLAIMS V20_4

COMMERCIAL PROPERTY

Property insurance is any type of insurance that indemnifies an insured party who suffers a financial loss because property has been damaged or destroyed. Property is considered to be any item that has a value. Property can be classified as real property or personal property. Real property is land and the attachments to the land, such as buildings. Personal property is all property that is not real property. The Building and Personal Property coverage form is the form used to insure almost all types of commercial property. The insuring agreement in the Building and Personal Property coverage form promises to pay for direct physical loss or damage to covered property at the premises described in the policy when caused by or resulting from a covered cause of loss. The following is a brief outline of coverage and how they are used within the Commercial Building and Personal Property coverage form.

Buildings and Business Personal Property

Coverage for the building includes the building and structures, completed additions to covered buildings, outdoor fixtures, permanently installed fixtures, machinery and equipment. The building material used to maintain and service the insured's premises is also insured. Business Personal Property owned by the insured and used in the insured's business is covered for direct loss or damage. The coverage includes furniture and fixtures, stock, and several other similar business property items when not specifically excluded from coverage. The policy is also designed to protect the insured against loss or damage to the personal property of others while in the insured's care, custody or control.

Coverage Extensions and Additional Coverage

In addition to the limits stated in the Building and Personal Property coverage form, the policy has a coverage extensions section and an additional coverage section. The coverage extensions section provides limited coverage for newly acquired or constructed property, property of others, certain outdoor property, and the cost to research and reconstruct information on destroyed records. When coverage is placed on the all risk form, two additional extensions are added for property in transit and coverage for certain repair costs related to damage caused by water. The two additional extensions are covered by certain perils only. The additional coverage section provides coverage for indirect losses that result from a direct loss. The coverage applies to removal of debris, preservation of property, fire department service charges and pollutant cleanup and removal. The coverage extensions and the additional coverage have limitations and are subject to certain conditions.

Limit of Insurance

The most the insurer will pay for a loss or damage in any one occurrence is the limit of insurance stated in the policy declarations

Deductible

The standard deductible is \$250. However, other deductible amounts are available and the deductible applies only once per loss.

Causes of Loss

The term peril is used when discussing losses. A peril is a cause of loss. Basic property insurance policies are written to cover the perils of fire, lightning, explosion, windstorm, hail, smoke, aircraft or vehicle damage, riot or civil commotion, vandalism, sprinkler leakage, sinkhole collapse, and volcanic action. Other property insurance policies, often referred to as the broad form policy, add coverage for water damage, weight of snow, ice or sleet, breakage of glass and coverage for falling objects. The broadest coverage is the special form, which is best known as the all risk form. All risk covers all causes of loss, except those specifically excluded from coverage. It is possible for a commercial property policy to have more than one cause of loss form.

Replacement Cost and Actual Cash Value

Property can be valued in several different ways. Insurance companies commonly use two approaches to determine value, which also determines how a loss will be paid; the replacement cost method and the actual cash value method. Insurers consider replacement cost of a property item to be the cost to replace it with property of like kind. Actual cash value is replacement cost minus the accumulated depreciation for age and condition.

Agreed Value

When the agreed value option is used the coinsurance requirement is removed and the insurer agrees to cover losses for its agreed value. When this option is used the insured and the insurance company agree on the value of the property before the policy is issued. As an example, the insured has property insured for \$100,000 and the agreed value is also \$100,000, if a loss occurs, any loss up to \$100,000 is covered at 100%. This option is usually assigned to one-of-a-kind property.

COINSURANCE

The success of any Commercial Property program is measured by its effectiveness following an insured loss. Thus, in establishing adequate coverage, one must have firsthand information as to the insurable values at risk. Book values do not fulfill this purpose. Insurable values are present day replacement cost with proper allowance for depreciation. Since replacement costs fluctuate, it is necessary to keep a constant check on insurable values.

Most building and business personal property policies have a coinsurance clause which requires the insured to carry insurance equal to at least a specified percentage of the actual cash value of the property. If a loss occurs, and it is determined that the amount of insurance carried is less than the amount required a penalty could be placed on the insured.

The insurance applying in the following example is subject to the 90% Coinsurance Clause. Under the terms in this clause, you should insure the property at risk to the stipulated percentage of value. If you fail to do so, you will not be fully reimbursed for any loss that may occur. The manner in which the Coinsurance Clause would operate in the event of a partial loss is illustrated below and is merely a hypothetical example:

Insurable Interest	Insurance Carried	Insurance Required (90%)	Amount of Loss	Policy Pays	Insured Pays
\$100,000	\$60,000	\$90,000	\$10,000	\$6,667	\$3,333

The computation formula is 'did over should.' The insured carried \$60,000, but should have carried \$90,000. Therefore the insured carried two-thirds of what he should have carried and will receive payment for only two-thirds of his \$10,000 partial loss in spite of the fact the face amount of the policy was \$60,000.

The above is merely to show how Coinsurance works. If at any time you should substantially increase building values or contents values, you should notify us immediately to increase your coverage to avoid any Coinsurance penalties.

Inflation Guard

An insured can insure a building for its full value at the beginning of the policy year, but, at the end of the year, it might not be covered for its full value. This problem can be corrected by adding inflation guard coverage. With inflation guard, the policy limit increases gradually during the policy term so that the total increase amounts to the desired percentage increase at the end of the policy term.

Earthquake Coverage

This endorsement extends your causes of loss to include damage that results directly from an earthquake. Coverage is provided for replacement of buildings only. All earthquakes shocks that occur within a 168 hour period (one week) are considered to be a single occurrence. A separate deductible applies and is determined by the value of the insured property.

PUMP LIMITS

Issuing Company: United Specialty Insurance Company
Policy Term: 4/29/2024 - 4/29/2025

Coverage Deductible

Scheduled	Total Scheduled Amount:
All risks	**See chart below
Actual cash value	Deductible: \$10,000

****B** = Blanket amount **S** = Scheduled **RISK** = All risks **NAMED** = Named perils **THEFT** = Named perils (including theft)
ACV = Actual cash value **REPL** = Replacement cost **DI** = Disappearing **FL** = Flat **GR** = Graduated **OT** = Other **PC** = Percent

SCHEDULED PUMPS

Item #	Year/Model	Description	ID/Serial #	Amt of Ins
14	480 Vol/52 Amps	Sewer Pump Station - Fleitas S. RR		54,774
15	240 Vol/44 Amps	Sewer Pump Station - Woodman Avenue		29,463
16	240 Vol/54 Amps	Sewer Pump Station - Torguson		29,463
17	240 Vol/40 Amps	Sewer Pump Station 0 Magnolia S RR		28,854
18	240 Vol/12.5 Amps	Sewer Pump Station - Henderson S. RR		27,263
19	240 Vol/54 Amps	Sewer Pump Station - Espy @ Hwy 90		29,463
20	240 Vol/54 Amps	Sewer Pump Station - Menge @ Scenic		29,463
21	240 Vol/12.5 Amps	Sewer Pump Station - Emerald @ 90		28,374
22	240 Vol/12.5 Amps	Sewer Pump Station - Shadowlawn @ 90		27,263
23	240 Vol/10 Amp	Sewer Pump Station - Henderson @ 90		26,970
24	240 Vol/54 Amps	Sewer Pump Station - Courtney @ 90		29,463

25	240 Vol/12.5 Amps	Sewer Pump Station - Francis St.	27,263
26	240 Vol/27 Amps	Sewer Pump Station - Menge Ave @ North	28,854
27	240 Vol/18.2 Amps	Sewer Pump Station - Camille Village	26,970
28	240 Vol/10.4 Amps	Sewer Pump Station - Oak Park	26,970
29	240 Vol/10 Amps	Sewer Pump Station - Seal Ave	26,970
30	240 Vol/10 Amps	Sewer Pump Station - Fleitas N. RR	26,970
31	240 Vol/15.2 Amps	Sewer Pump Station - Industrial Seaway	26,970
32	240 Vol/15.2 Amps	Sewer Pump Station - Hunter & RR	26,970
33	240 Vol/10.4 Amps	Sewer Pump Station - Henderson N	26,970
34	240 Vol/10 Amps	Sewer Pump Station - Church St.	26,970
35	240 Vol/13 Amps	Sewer Pump Station - Henderson St. S	27,263
36	240 Vol/18.2 Amps	Sewer Pump Station - Lac Blue N	26,970
37	240 Vol/10 Amps	Sewer Pump Station - Lac Blue S	26,970
38	240 Vol/27 Amps	Sewer Pump Station - Bayview W	27,263
39	240 Vol/10 Amps	Sewer Pump Station - Poindexter & Lemoyne	26,970
40	240 Vol/18.2 Amps	Sewer Pump Station - Village Condo	26,970
41	240 Vol/10.5 Amps	Sewer Pump Station - Hillcrest	26,400
42	240 Vol/54 Amps	Sewer Pump Station - Royal Oak	29,463
43	240 Vol/27 Amps	Sewer Pump Station - Fairway	27,263
44	240 Vol/10 Amps	Sewer Pump Station - Fernwood	26,970
45	240 Vol/10 Amps	Sewer Pump Station - Dixie Whitehouse	26,970
46	240 Vol/10.5 Amps	Sewer Pump Station - Emerald Oaks	26,400
47	240 Vol/18.2 Amps	Sewer Pump Station - High School	26,970
48	240 Vol/10.5 Amps	Sewer Pump Station - High School Ball Fi	26,400
49	240 Vol/10.5 Amps	Sewer Pump Station - Basswood	26,400

SUMMARY

COVERAGE	EXPIRING PREMIUM	RENEWAL PREMIUM
Property & Pumps – 1 st Layer - \$5M	\$ 272,304.53	\$ 293,728.79
Property & Pumps – 2 nd Layer - \$5M	\$ 78,828.75	\$ 78,828.75
Property & Pumps – 3 rd Layer - \$6,105,923	\$ 43,275.38	\$ 43,275.38
Total	\$ 394,408.66	\$ 415,832.92

DID YOU KNOW....BETZ ROSETTI & ASSOCIATES NOW OFFER A FULL SUITE OF PERSONAL LINES COVERAGES FOR YOUR HOME, AUTO, BOAT, AND PERSONAL LIABILITY. LET US OFFER YOU A QUOTE TODAY.