



An Insurance Proposal Exclusively for
NIA Member Contractors



An Alliant owned company

Presented by:

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Vice President - Producer
Insurance Services

Premium Summary

Coverage	2017/18 Current Premiums	Option 1 2018/19 Premiums	Option 2 2018/19 Premiums	Option 3 2018/19 Premiums	Option 4 2018/19 Premiums
Carrier	N/A	Navigators Specialty Insurance Company	Navigators Specialty Insurance Company	Navigators Specialty Insurance Company	Navigators Specialty Insurance Company
A – Operations Pollution Liability	N/A	\$ 6,095	\$ 6,358	\$ 6,095	\$ 6,358
B – Site Pollution Liability Sudden & accidental	N/A	Excluded	Included	Excluded	Included
C – Environmental Crisis Management	N/A	Included	Included	Included	Included
Cyber Liability Premium	N/A	Excluded	Excluded	\$ 1,008 (1)	\$ 1,008
Total Premium	\$ -	\$ 6,095	\$ 6,358	\$ 7,103	\$ 7,366
Surplus Lines Tax - State TBD (4%)	\$ -	\$ 243.80	\$ 254.32	\$ 284.12	\$ 294.64
Surplus Lines Fee - State TBD (N/A)	\$ -	\$ -	\$ -	\$ -	\$ -
Contractors Pollution Liability Total Cost	\$ -	\$ 6,339	\$ 6,612	\$ 7,387 (2)	\$ 7,661
Defense Costs - Inside vs. Outside	N/A	Outside	Outside	Outside	Outside
Optional Terrorism Coverage	N/A	1% Additional Premium	1% Additional Premium	1% Additional Premium	1% Additional Premium

(1) Cyber Limits quoted are \$250,000. A reduced sublimit of \$100,000 is \$549

(2) Additional combination of coverage options are available depending on interest in Site Pollution and/or Cyber Liability

PAYMENT TERMS

Agency Bill - Annual Payment

3rd Party Financing available upon request in order to pay by installments

Named Insured Schedule

The following Named Insureds are included on the coverages indicated below:

Named Insured	Contractors Pollution Liability	Site Pollution Liability	Cyber Liability
NIA Member Contractor	X	X	X

Note:

Please provide a full entity list including the holding company and operating entities to ensure proper coverage

Contractors Pollution Liability

INSURANCE COMPANY: Navigators Specialty Insurance Company
A.M. BEST RATING: A XII
STANDARD & POOR'S RATING: A
STATE COVERED STATUS: TBD
POLICY/COVERAGE TERM: 05/01/2018 to 05/01/2019 – 2 or 3 Year Options Available

COVERAGE FORM

- Contractors Pollution Liability Toolkit II
- NAV ECP-O TLKT II (03/13)

LIMITS OF INSURANCE

Coverage	Limit	Retention
A – Operations Pollution Liability	\$1,000,000	\$10,000
B – Site Pollution Liability/ Sudden & Accidental Only	\$1,000,000	\$10,000
C – Environmental Crisis Management	\$50,000	N/A
Policy Aggregate	\$1,000,000	
Cyber Liability - Sublimit	\$250,000	\$10,000
Exposure Basis: \$5,000,000		

NOTE:

Coverage B is Optional. See Premium Summary for details.

Coverage Details	
Coverage B – Insured Locations	Anytown, TBD, IL 12345
Claims-Made Retroactive Date	
Site Pollution Liability	N/A

COVERAGE HIGHLIGHTS

Coverage A

- Contractor’s Pollution Liability (occurrence), including emergency cleanup costs at no sublimit. No scheduling of contracting operations is required
- Pollution from Transportation Activities (occurrence), including emergency cleanup costs at no sublimit. This includes not only auto transport, but watercraft and rolling stock as well. No scheduling of the covered autos is required
- Waste Disposal Liability coverage, (occurrence) including a broad definition of waste disposal facilities. No facilities have to be scheduled to the policy

Coverage B

- Site pollution coverage (claims-made, 1MM/1MM limit with a 10K deductible), S&A coverage
- Defense for this coverage is inside. Please note, this is included in Option 1 only.

Other Highlights

- Restoration Costs with Green Products included within the base policy
- No professional liability exclusion
- Includes coverage for Midnight Dumping / Illicit abandonment at owned sites and jobsites
- Service of Suit in any court of competent jurisdiction (no limitations on Choice of Law/Venue/Jurisdiction)
- 90 Day Notice of Cancellation, 90 Day Automatic ERP
- Environmental Crisis Management (sublimited to \$50,000)
- Fungus / Legionnaire’s Disease Coverage (Occurrence, 10K deductible)
- Defense Outside the Limits, Not subject to deductible or sublimit - See Premium Summary options
- Fair Claims Practices, including Claim Notification As Soon As Practicable
- Up to \$1,000 per day stipend for insured’s employees participating in a claims/legal proceeding

NOTABLE EXCLUSIONS INCLUDE, BUT ARE NOT LIMITED TO THE FOLLOWING:

- Please refer to your Policy for all Exclusions

NOTE:

- Not Subject to Audit

In some states, third parties held liable for a work-related injury may seek contribution from the injured worker's employer, but such contribution may be capped by the amount of applicable Workers Compensation benefits. This cap is named for an Illinois case that first imposed it (Kotecki vs. Cyclops Welding). If the employer has indemnified the negligent third party, that indemnity agreement may be viewed in certain jurisdictions as a waiver of the Kotecki cap. Please have your contract indemnification clauses reviewed by your attorney to confirm that they do not constitute Kotecki waivers which may be uninsured.

IMPORTANT CONSIDERATION

- (1) If you use a sub-contractor, obtain a certificate of insurance naming you as an additional insured on the sub-contractor's general liability policy on a primary and non-contributory basis;
- (2) Prior to entering into a contract with a sub-contractor, obtain certificate of insurance and the additional insured wording from the sub-contractor's policy to ensure that the additional insured coverage meets applicable contractual requirements;
- (3) Whether you are requesting additional insured status or are required by contract to afford it to another party, be aware that most automatic/blanket additional insured endorsements require that in order for the additional insured coverage to be triggered, the insured and the party requesting additional insured status must have agreed in writing prior to the loss that such person or entity be added as an insured. Some endorsements have been further interpreted as requiring that the insured and the party requesting additional insured status be in a direct contractual relationship in order for the additional insured coverage to be triggered; and

Construction Claims Examples Against Insulation Contractors

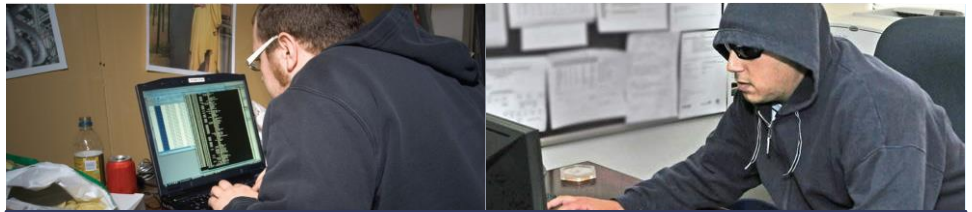
All contractors face significant construction liability exposure as a result of numerous construction defect lawsuits filed each year around the country. States around the country are rife with lawsuits for construction defects for property damage arising from allegedly defective workmanship in commercial and residential construction projects. Even the smallest defects are included in the claim to maximize the recovery. This article provides actual examples of construction defect claims nationwide where insulation contractors faced substantial judgment exposure. We conclude with some lessons that can be learned from these losses.

For example, in 2012 a condominium association in Florida brought a lawsuit against an insulation contractor claiming that the sound suppression at a large condominium property was defective because the contractor failed to properly prepare the surface prior to installing soundproofing. The association claimed that excessive airborne noise was present in all units. The case against the contractor ultimately settled before trial for a confidential sum. In another case involving alleged insulation defects, a Jacksonville nursing home experienced massive water intrusion shortly after completion of the project due in part to improper installation of the exterior insulation system. Rather than face trial, the exterior insulation contractor settled the claim for one million dollars.

Insulation contractors face substantial judgment exposure in many other jurisdictions as well. In Pennsylvania, an insulation subcontractor was hired to perform upgrade work on sewage digester tanks at a municipal wastewater facility. The subcontractor installed urethane foam insulation to seal the tanks. The work was defective and the tanks had been damaged. The municipality sued the insulation subcontractor, and the lawsuit is ongoing. A Connecticut jury awarded \$89,090 for the negligently installed spray polyurethane foam (SPF) insulation that resulted in property damage in which the plaintiffs sued the insulation contractor alleging that volatile organic compound emissions from SPF that was installed and caused injuries and damages to their property. The jury unanimously found that the contractor was negligent in installing the SPF and that the negligent installation was a proximate cause of the damage to the home. A Texas jury awarded more than one million dollars at the conclusion of a spray foam insulation case in which the plaintiffs alleged that they were exposed to toxic chemicals during the installation of spray polyurethane foam insulation. The verdict included \$420,000 in damages for the costs of repair, loss of use of the home, and personal property damage.

Construction Claims Examples Cont.

Litigation of construction related claims can be costly and time-consuming. These lawsuits typically involve large-scale construction projects, dozens of parties, and extensive discovery, all of which will quickly increase defense costs and pose substantial judgment exposure for the contractor. The main lesson that insulation contractors can take away from these losses includes developing a risk management strategy, which includes having sufficient insurance coverage for construction related claims covering completed operations in place, before the contractor's work begins.



CyberOne™ Coverage

PROTECTING BUSINESSES FROM HARMFUL ATTACKS

What is CyberOne™ Insurance?

CyberOne™ insurance protects businesses against damage to electronic data and computer systems from a virus or other computer attack. It also protects a business' liability to third parties that may have suffered damage due to security weaknesses the business' computer system.

Depending on the coverage options selected, CyberOne™ coverage pays for the costs to recover and replace data and to repair computer systems. It can also pay for liability, damages and defense costs due to alleged claims brought by third parties for damage due to failures in the business's systems security. This isn't an exposure that a small business should self-insure, and given the risk in today's electronic world, CyberOne™ is a tremendous value.

Are You Protected?

Every organization relies on data and networked computer systems. Some businesses rely on data, systems and the internet as a primary means of conducting business. Others depend on data and systems as an support function within the organization. No organization can afford to lose important data and systems. This is why CyberOne™ insurance is essential to every small business.

Cyber criminals act without warning and the data and systems losses from computer attacks – including significant out-of-pocket recovery costs and organizational downtime – can be devastating. Attacks like this have long been a persistent risk to organizations but their visibility has increased in recent years. Furthermore, cyber attackers have shifted attention to smaller entities in a search of easier targets as larger entities have hardened their defenses.

Benefits of CyberOne™ Coverage

- Coverage for the costs of recovering from computer attack.
- Broad protection against network security liability claims.
- Substantial limits at affordable rates
- Access to an on-line risk management portal that includes tools to assess and manage the cyber security risks faced by small businesses.
- Specialized claims services.
- Easy to add – no separate application.

CyberOne™ Claim Examples

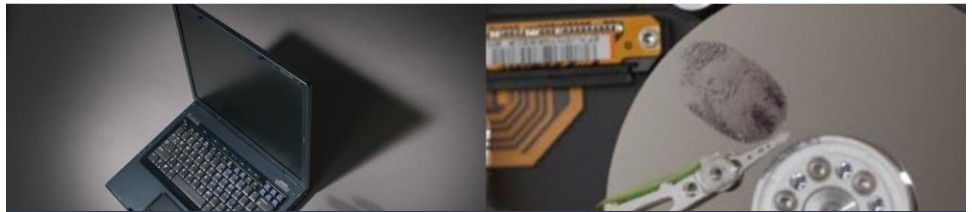
Small businesses are at risk for computer attacks and network security liability claims. The same consequences of harmful cyber attacks that these business owners speak of, could happen to any modern business.

"A customer claimed that I sent him a damaging virus, and it cost me \$30,000 in legal fees to get it resolved."

"My business was hacked by a disgruntled former employee, and I ended up with a \$25,000 IT bill to repair the damage."

"I couldn't believe how quickly the costs of defending a suit added up. We spent more than \$40,000."

"A nasty virus got into our computer network, and it cost us a fortune in out-of-pocket expenses and downtime to get us back up and running."



Data Compromise Coverage

INSURANCE & SERVICES TO HELP RECOVER FROM A DATA BREACH

Laws Shifting Responsibility

Most businesses are required by law to respond to the individual state data breach notification laws and possibly even other laws, like HIPAA. Data Compromise coverage helps small and medium sized businesses respond to the financial burden and service obligations of a data breach. Businesses and institutions have a responsibility to safeguard the data of clients, employees and others. Small and medium-sized companies are vulnerable to data breaches by computer hackers, thieves and dishonest employees. Data can also be lost through an accidental or inadvertent release. Unfortunately, many businesses lack the resources and knowledge to respond per the mandated laws.

Data Compromise Meets This Need

Data Compromise coverage is designed to help businesses investigate a data breach and notify individuals. There are also a variety of other services available when selected by the Insured, such as: credit monitoring and case management. These services help prevent identity theft and fraud following a breach of personal identifying information. Coverage is provided for breaches discovered during the policy period which have occurred after the first inception of coverage.

Real Life Example

Identity thieves used card skimmers at a gas station to steal bank account numbers with PIN codes from 550 customers. The thieves then created false debit cards, using the stolen information at ATMs to drain funds from client accounts.

Cost of notification and services: \$19,250

Highlights of Data Compromise Coverage

First Party Coverage

Expense payments related to responding to a personal data compromise including the notifications of affected individuals and costs to provide support services to affected individuals. Costs also include:

- **Forensic IT Review:** Coverage to provide payment for an outside IT forensic firm to review nature and extent the personal data compromise: Sublimit of \$5,000.
- **Legal Review:** Coverage to provide payment for outside legal counsel to review the legal notification obligations, with a sublimit applying: Sublimit of \$5,000.
- **Public Relation Services:** Coverage to provide payment for a professional public relations firm to review and respond to the impact of the personal data compromise: Sublimit of \$5,000.

Third Party Coverage

A third-party coverage to protect the Insured from lawsuits filed by affected individuals upset about the data breach when their private information is exposed.

Risk Management Tools

Data Compromise coverage includes access to an online resource for training, best practices and other risk management tools for data compromise exposures.

Binding Requirements Recap

Below is a recap by Line of Coverage. All coverage(s) require the Following:

Coverage Line and Description of Subjectivity(ies)	Effective Date
Contractors Pollution/Cyber Liability – Navigators <ul style="list-style-type: none">• Completed & Signed Navigators Environmental Application• Signed Terrorism/TRIA - If Electing to purchase coverage• Review of General and Pollution Liability loss runs from the past 5 years• Confirmation of No data breaches in the past 12 months	05/01/2018

In order to complete the underwriting process, we require that you send us any additional information requested above. We are not required to bind coverage prior to our receipt and underwriting acceptance of the above information. However, if we do bind coverage prior to such acceptance, the terms and conditions as indicated above may be amended until such receipt and acceptance. Any agreement to bind coverage in connection with this proposal must be in writing from an authorized employee of the Insurer.

Request to Bind Coverage

We have reviewed the proposal and agree to the terms and conditions of the coverages presented. We are requesting coverage to be bound as outlined by coverage line below:

Coverage Line	Bind Coverage for:
Contractors Pollution Liability	<input type="checkbox"/>
Site Pollution/Sudden & Accidental	<input type="checkbox"/>
Cyber Liability	<input type="checkbox"/>

This Authorization to Bind Coverage also acknowledges receipt and review of all disclaimers and disclosures, including exposures used to develop insurance terms, contained within this proposal

Signature

Date

Title

Printed / Typed Name

This proposal does not constitute a binder of insurance. Binding is subject to final carrier approval. *The actual terms and conditions of the policy will prevail.*

Coverage & Service Matrix

⁽¹⁾ OTHER POLICIES/COVERAGES KNOWN OR AVAILABLE, BUT NOT WRITTEN THROUGH MESIROW INSURANCE SERVICES, INC., AN ALLIANT-OWNED COMPANY

Coverage	Y/N
Automobile	
Bankers Bond	
Builders Risk	
Contractors' Equipment Inland Marine	
Earthquake	
Equipment Breakdown (Boiler & Machinery)	
Event Cancellation	
Flood	
Foreign Package	
Garagekeepers Liability	
Garagekeepers Physical Damage	
General Liability	
Inland Marine	
Intellectual Property	
Management Liability	
Directors & Officers Liability	
Employment Practices Liability	
Fiduciary Liability	
Kidnap, Ransom and Extortion	
Crime	

Coverage	Y/N
Media Liability	
Mortgage Protection	
Ocean Marine	
Political Risk Insurance	
Pollution/Remediation Legal Liability	
Product Contamination Insurance	
Product Recall	
Professional Liability	
Property	
Security/Privacy, Cyber Liability Errors & Omissions	
Social Engineering	
Surety Bond	
Trade Credit	
Travel Accident Insurance	
Umbrella/Excess	
Volunteer Accident Coverage	
Workers' Compensation	
Workplace Violence	

¹ This is not a complete list, but only the policies or coverage that we are aware of. We do not have current information on these coverage(s). We are willing to assist you in gathering the information necessary to provide a competitive quotation for your review on these and other coverages.

Important Disclosures

Our proposal is an outline of the coverage offered by the insurers, based on the information provided by your company – including but not limited to the insurance Application, which we have relied upon in preparing this proposal. If changes need to be made, please notify our office immediately. All changes are subject to review and acceptance by the insurance company. This proposal does not constitute a contract and does not include all the terms, coverage, exclusions, limitations, or conditions of the actual contract language. You must read the policies for those details. For your reference, policy forms will be made available upon request.

In addition to fees, commissions or other compensation retained by Mesirow Insurance Services, Inc., an Alliant-owned company (“MIS”), it is understood that in some circumstances other parties necessary to arrange placement of coverage may earn usual and customary commissions and/or fees in the course of providing insurance products. In addition, as is a common practice in the industry, Mesirow Insurance Services, Inc., an Alliant-owned company benefits from programs implemented by certain insurers, wholesale brokers (property & casualty) and administrators (benefits) providing for compensation, in addition to commissions and fees, to be paid to Mesirow Insurance Services, Inc., an Alliant-owned company based upon differing factors. This additional compensation may include non-cash awards and benefits. The insurance you purchase through Mesirow Insurance Services, Inc., an Alliant-owned company may be issued by an insurer, wholesale broker (property & casualty) or administrator (benefits) who has such a program. Further, Mesirow Insurance Services, Inc., an Alliant-owned company may receive fees from premium finance transactions (property & casualty). Should you have specific questions concerning Mesirow Insurance Services, Inc., an Alliant-owned company compensation please contact your Mesirow Insurance Services, Inc., an Alliant-owned company executive.

Best's Insurance Reports

Best's Insurance Reports, published annually by A. M. Best Company, Inc., presents comprehensive reports on the financial position, history, and transactions of insurance companies operating in the United States and Canada. Companies licensed to do business in the United States are assigned a Best's Rating which attempts to measure the comparative position of the company or association against industry averages.

A Best's Financial Strength Rating (FSR) is an opinion of an insurer's ability to meet its obligations to policyholders. The Best's Financial Strength Rating is based on analysis, which gives consideration to a number of factors of varying importance. While the analysis is believed to be reliable, we cannot guarantee the accuracy of the rating or the financial stability of the insurance company.

A copy of the Best's Insurance Report on the insurance companies quoted is available upon request.

BEST'S RATINGS

Rating	Description
A++, A+	Superior
A, A-	Excellent
B++, B+	Good
B, B-	Fair
C++, C+	Marginal
C, C-	Weak
D	Poor
E	Under Regulatory Supervision
F	In Liquidation
S	Rating Suspended

FINANCIAL STRENGTH RATING

Rating	Description
Class I	\$ 0 to \$ 1,000,000
Class II	\$ 1,000,000 to \$ 2,000,000
Class III	\$ 2,000,000 to \$ 5,000,000
Class IV	\$ 5,000,000 to \$ 10,000,000
Class V	\$ 10,000,000 to \$ 25,000,000
Class VI	\$ 25,000,000 to \$ 50,000,000
Class VII	\$ 50,000,000 to \$ 100,000,000
Class VIII	\$ 100,000,000 to \$ 250,000,000
Class IX	\$ 250,000,000 to \$ 500,000,000
Class X	\$ 500,000,000 to \$ 750,000,000
Class XI	\$ 750,000,000 to \$ 1,000,000,000
Class XII	\$ 1,000,000,000 to \$ 1,250,000,000
Class XIII	\$ 1,250,000,000 to \$ 1,500,000,000
Class XIV	\$ 1,500,000,000 to \$ 2,000,000,000
Class XV	\$ 2,000,000,000 to or more

RATING MODIFIER

Rating	Descriptor	Definition
u	Under Review	A modifier that generally is event-driven (positive, negative or developing) and is assigned to a company whose Best's rating opinion is under review and may be subject to change in the near-term, generally defined as six months.
pd	Public Data	Assigned to insurers that do not subscribe to Best's interactive rating process. Best's "pd" Ratings reflect qualitative and quantitative analyses using public data and information
s	Syndicate	Assigned to syndicates operating at Lloyd's.

Claim Reporting

The ramification of the current insurance market condition from the claims prospective, is that insurance carriers are much stricter in claims being reported promptly. Therefore, we recommend all of our clients when aware of an incident, accident, lawsuit, or circumstance which could give rise to a claim inform us or your appropriate carrier as soon as possible.

What could happen if you delay reporting a new claim?

- The carrier could reserve rights against you and offer less than 100% of what is due.
- The claim could be denied in its entirety.

Prompt claim reporting begins with the immediate investigation into the facts and circumstances of an accident or work related injury. Every accident no matter how minor should be investigated as soon as possible after it occurs. In order to assist you in preparing and reporting claims, Mesirow Insurance Services, Inc., an Alliant-owned company, maintains a directory of accident investigation forms and contact numbers for your insurers' claim departments. To report a claim, contact Mesirow Insurance Services, Inc., an Alliant-owned company. Our Claims Professionals will assist you with filing your claim with the insurance company. You may send it 24/7 in the following order of preference:

- claimsreporting@alliant.com
- 312.595.6506 (fax)
- 312.595.6200 (phone)

You can page a Claim Professional after business hours by following the prompts.

HOW TO PROTECT COVERAGE UNDER A CLAIMS MADE POLICY

WHAT YOU MUST KNOW DURING THE POLICY TERM

Your policy only covers claims made while the policy term is in effect. Coverage may not be available if the claim is not reported during the same policy term

during which the claim was made, or during the same policy term when you first received notice of the claim.

IMMEDIATELY

Your policy will only cover a claim reported to the Insurer as soon as practicable after you receive first notice. In any case, you must report the claim before the end of the policy period.

WHEN IS IT A CLAIM?

Claims made policies define "Claim" broadly to mean ANY written demand for monetary or non-monetary relief.

Examples of claims that may not be recognized and result in late reporting:

- Employee filings with the EEOC, state commissions, or similar agencies;
- Requests for remedy other than a monetary amount;
- E-mail messages making demands for relief of any kind;
- Requests for an agreement to toll a statute of limitations;
- Lawsuits or other proceedings against a company. (These can be D&O claims even if a director or officer is not named.)
- If you are named, please report, even if you don't believe that the claim has any basis.

YOU MUST REPORT CLAIMS IMMEDIATELY

- Please report a claim as soon as you know of it and definitely BEFORE the end of the policy period, no matter who the carrier is.
- Failure to give notice "as soon as practicable" may be grounds for the carrier to deny coverage for the claim even if notice is given during the policy period.

- Be aware that mentioning a claim in an application or materials submitted with an application is not considered notice to the insurer.
- Remember that costs incurred before notice to the insurer will not be covered nor will defense costs incurred by an attorney who has not been approved by the insurer.

ATTORNEY SELECTION

To maximize coverage that may be available to you, please discuss selection of defense counsel with the insurer before any work is done. Under many policies, the insurer has the right to select counsel to defend you if coverage is available for the claim.

COURT DEADLINES

Please notify your adjuster in writing of any due dates for the filing of an answer or motion, mediation, hearing, or court date for your claim.

SETTLEMENT DISCUSSIONS

Prior to having any discussion with a claimant or a claimant's attorney regarding possible settlement of a claim, please notify your adjuster in writing. An insurer is entitled to approve any offer exchanged with the other side. To maximize reimbursement of any part of a settlement that your policy may provide to you, it is important that you share the information with your adjuster in writing and ahead of any offer you make, no matter how small.

MAXIMIZE COVERAGE UNDER YOUR CLAIMS MADE POLICY

PLEASE ASK MESIROW INSURANCE SERVICES, INC., AN ALLIANT-OWNED COMPANY IF YOU HAVE QUESTIONS ABOUT CLAIM REPORTING

Prompt claim reporting begins with the immediate investigation into the facts and circumstances of an accident or work related injury. Every accident no matter how minor should be investigated as soon as possible after it occurs. In order to assist you in preparing and reporting claims, Mesirow Insurance Services, Inc., an Alliant-owned company, maintains a directory of accident investigation forms and contact numbers for your insurers' claim departments. **To report a claim**, contact Mesirow Insurance Services, Inc., an Alliant-owned company. Our Claims Professionals will assist you with filing your claim with the insurance company. You may send it 24/7 in the following order of preference:

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