

Heartland Insurance Risk Pool

Coverage Summary And Proposal

2019/2020

Hardin County

May 9, 2019

IMPORTANT: The proposal is an outline of the coverage proposed by the Heartland Insurance Risk Pool, based on the information provided by your county. The summary is only an outline of the insurance coverage document arranged through this office. It does not include all the terms, coverage, exclusions, limitations, and conditions of the actual contract language. The coverage documents themselves must be read for those details. Coverage document forms for your reference will be made available upon request.

Heartland Insurance Risk Pool

Heartland Insurance Risk Pool

The Heartland Insurance Risk Pool (HIRP) is a member-owned and funded property-liability self-insurance pool. The formation of HIRP is enabled by Chapter 331.301 of the Code of Iowa and was formed for the benefit of Iowa counties. HIRP operates as a stand alone insuring organization and is managed and operated by its members through a Board of Trustees, which is made up of member County Supervisors or County Auditors.

HIRP has no employees and the Board of Trustees contracts with Risk Management Solutions of Iowa, Inc. (RMSI) for administration services for the necessary operation of the Pool, Creative Risk Solutions for claims management, and Arthur J. Gallagher Risk Management Services (AJGRMS) for loss control and brokerage services for reinsurance coverage for the Pool.

The features of pools are numerous, but a concise list would include:

1. Structure

- HIRP is structured as a self-insured pool and enabled by Chapter 331.301 of the Code of Iowa. The Pool is tax-exempt and was formed under Chapter 28E of the Iowa Code.
- All county participants are members of the Pool and are represented by a Board of Trustees responsible for pool oversight.

2. Funding

- HIRP is structured with the intent that contributions (premiums) of the member counties will fund operations and expected losses of the pool and produce equity.
- Specific excess insurance is purchased to protect the Pool from a single catastrophic loss.
- In the event of unfunded liability, the by-laws contain an assessment feature which helps guarantee the Pool's financial condition, if in fact claims presented to the Pool result in additional expenditures than were anticipated. To date HIRP has not had an assessment.

This should be compared to the normal reaction by the insurance industry following a period of adverse claim activity. That reaction would include premium increases, reduction in coverage or non-renewal of coverage.

3. Cost Savings

- In most instances, pools realize a long-term cost savings for members. This is because the member-owned pool retains all profits, which are generated by lower expense ratios, investment income and improved claim handling.

4. Improved Coverages

- HIRP issues coverage documents on a form written specifically for the Pool. The documents contain standard industry exclusions common to all industry policies, but eliminate many of the limiting exclusions and conditions existing on current forms.

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5. Stability of the Program

- The insurance industry has consistently experienced wide cycles. In conservative periods, counties experience price increases, reductions in coverage or cancellations. Since HIRP's expense related to the standard insurance marketplace is limited to reinsurance cost, the impact of these cycles is reduced and the ultimate long-term cost is more a function of the members' claim experience.

6. Claims Administration

- HIRP's claims are currently administered by Creative Risk Solutions (West Des Moines, Iowa).

7. Safety and Loss Control

- The commercial insurance sector offers safety/loss control services on a very limited basis to counties. Since these loss control individuals answer to a number of different clients, their knowledge of county risks is extremely limited.
- HIRP strives to offer loss control services, which are beneficial and unique to member needs. These specialists dialogue with the member personnel who already have a strong working knowledge of property and liability issues and risks.

8. Loss Sharing

- Each member of HIRP is loss sharing only with other members and Special Acceptances of the Pool. In the commercial insurance system, counties are combined with chemical companies, contractors and other ventures over which they have no commonality or control. HIRP is structured with periodic financial reviews by contracted claims experts and the Pool's own governing Board.

9. Investment Income

- In the commercial system, the insurance company earns the investment income on their client's premiums.
- With HIRP, excess funds remain with the Pool waiting to pay claims. That money is deposited and remains in Iowa banks (specifically in Member county banks) at the direction of the Pool's investment committee until it is needed for expense or claim payments. The investment income from premiums contributes to the funding of the Pool.

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10. Information

- Monthly claims information will be provided by Creative Risk Solutions, the third-party administrator.
- Frequent safety updates provide information on issues important to our members.

11. Legal Resources

- Member counties have reasonable access to the Pool's attorney in order to ask questions and obtain advice on matters that could give rise to claims against the county.

12. Risk Management Function

- The standard method of purchasing insurance can leave some entities out of the true risk management functions designed to lower costs. These are:
 - exposure analysis
 - loss control
 - claim administration
 - claim information reports
- In contrast, HIRP utilizes the team of professionals at RMSI, CRS and Gallagher who administer the programs through the member counties. The members have an existing knowledge of risk sharing that the commercial insurance sector could never duplicate. Involvement in all of the risk management functions allows for a more cost efficient product.

Heartland Insurance Risk Pool

HIRP County Members

Benton County

Cedar County

Chickasaw County

Decatur County

Fayette County

Hardin County

Mahaska County

Mitchell County

Tama County

Van Buren County

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Summary Of Coverages

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"Descriptions of coverage provided in this coverage summary comprise an outline intended for discussion purposes only. Actual Coverage Document language must be consulted for any definitive evaluation of coverage terms and conditions. See Coverage Document for retroactive dates by line of coverage."

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Property (HIRP Coverage Document)

Who Is Insured?

Participating county members of HIRP and special acceptances as approved by the Board.

What Is Insured?

Property Including:

- Buildings
- Contents
- Fine Arts
- Glass - (includes Vandalism)
- Valuable Papers
- Accounts Receivable
- Extra Expense
- Electronic Data Processing Equipment and Media—Includes Limited Breakdown Coverage
- EDP Extra Expense
- Builders Risk (on a scheduled basis)
- Newly Acquired Locations - \$500,000 Limit (must be reported within 90 days)
- County Owned Automobiles Located on Premises
- Outside Antennas
- Owned Scheduled Watercraft

What Is Not Insured?

- Animals
- Aircraft
- Standing Timber
- Growing Crops
- Currency
- Money
- Notes
- Securities
- Non-county Owned Automobiles
- Bridges, Roadways, etc.
- Building Foundations
- Underground Piping and Drains
- Fences
- Electrical or Communication Lines
- Losses Resulting from Terrorism
- Losses Resulting from Toxic Mold
- Losses Resulting from Asbestos

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What Kind Of Losses Are Insured?

All causes of loss except those specifically excluded. Please refer to coverage document for exact exclusions.

How Much Is It Insured For?

Property Limit	Per Schedule	Per Occurrence
Flood	Not Covered	Not Covered
Earthquake	\$2,000,000	\$2,000,000 Annual Aggregate
Newly Acquired Property	\$500,000	Per Location
Builders Risk	Per Schedule	Per Occurrence
Unscheduled Locations (reported within 90 days)	\$500,000	Any One Occurrence
Property Deductible	\$1,000	Per Occurrence
Inland Marine – Equipment	\$1,000	Per Occurrence

How Are Losses Adjusted?

Losses are adjusted with the idea of repairing the property when feasible. If the property cannot be repaired, the coverage provides replacement cost protection per the applicable schedule (if the property is replaced). If the property is not replaced, the coverage pays an actual cash value settlement after depreciation.

Additional Coverage Extensions:

- Debris Removal (\$100,000 limit)
- Fire Department Charges – Reasonable
- Pollution Clean Up - \$50,000 Annual Aggregate
- Newly Acquired Property - \$500,000 (Automatic – must be reported within 90 days)
- Property Under Construction – Pre-approved and on a scheduled basis
- Personal Property of Others – \$5,000 per person, to a total of \$50,000
- Law and Ordinance Deficiency Coverage
- Utility Service Failure – Up to \$100,000 per occurrence
- Computer Coverage
- Computer Virus
- See Coverage Document for other coverage extensions

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Liability

Who Is Insured?

The participating county member, special acceptances as approved by the Board, and its elected and appointed officials, trustees, directors, officers, employees, agents, and volunteers, but only to the extent such individuals are acting within the official scope of their duties with the County.

GENERAL LIABILITY (Claims Made Form)

Bodily Injury (including mental injury, mental anguish, shock, sickness, death, disease or disability) and Property Damage resulting from:

- Premises and Operations
- Products and Completed Operations
- Non-owned auto endorsement
- Limited Professional Health Care Services

Personal Injury resulting from:

- Libel or Slander
- Defamation of Character
- Disparagement of Property
- Wrongful Entry or Eviction
- Oral or Written Publication of Material that Slanders or Libels
- Oral or Written Publication of Material that Violates a Person's Right of Privacy

PUBLIC OFFICIALS ERRORS & OMISSIONS (Claims Made Form)

Coverage is provided for wrongful acts arising out of:

- Error or Misstatement
- Act or Omission
- Neglect or Breach of Duty (Except if Intentional)
- Employment Practice Violations (Wrongful Termination, etc.)
- Discrimination
- Violation of Civil Rights
- Sexual Harassment

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WHAT IS NOT INSURED?

Examples of liability claims that are not covered:

- Pollution/Contamination
- Bodily Injury to Employees Including Volunteers
- Professional Liability Arising out of Auditing Activities, Investment/Real Estate Activities and Fiduciary Capacity
- Failure to Supply Utilities
- Eminent Domain and Inverse Condemnation
- Assault/Battery Except for Alleged Assault/Battery Committed for the Purpose of Preventing Injury to Persons or Damage to Property or Liability Arising out of Corporal Punishment
- Hospital Operations
- Nuclear Energy Liability
- Incidents Resulting from Nuclear, Biological or Chemical Terrorism
- War Risk
- Insured vs. Insured
- Losses resulting from asbestos, mold, lead or EMF

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What Are The Limits Of Coverage?

Each member and special acceptance chooses the liability limit for the entity. Current limits and your retroactive date are shown below:

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Coverage	Liability Limits	Retroactive Date
General Liability	\$7,000,000	July 1, 1987
Public Officials Liability	\$7,000,000	July 1, 1987
Law Enforcement Liability	\$7,000,000	July 1, 1987
Business Auto Liability	\$7,000,000	July 1, 1987

Additional limits quoted on summary sheet.

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Crime

Who Is Insured?

Participating county members of HIRP.

What Is Insured?

- Money
- Securities
- Property Other Than Money and Securities

What Kind Of Losses Are Insured?

- Loss Inside the Premises
- Loss Outside the Premises
- Money Orders and Counterfeit Paper Currency
- Depositors Forgery Coverage

What Is Not Insured?

- Loss Dependent upon Inventory Computation or Profit and Loss Computation for Proof
- Loss from Accounting or Arithmetical Errors or Omissions
- Employee Fidelity
- See Coverage Document for Complete List

How Much Is It Insured For?

- \$25,000 per occurrence

Workers Compensation

Benefits under Workers' Compensation coverage are written on a Statutory basis. Employer's Liability contains a limit of \$2,000,000 per Accident.

Cyber Coverage

Effective November 1, 2013, this coverage provides protection against covered Cyber liabilities.

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Client Confirmation of Schedules and Exposures

After careful review of your insurance summary dated May 9, 2019, **Hardin County** agrees with the schedules and exposures. Any updates or changes if applicable are noted or attached.

It is understood this insurance summary provides only a summary of the details; the policies will contain the actual coverage.

We confirm the values, schedules, and other data contained in the insurance summary are from our records and acknowledge it is our responsibility to see that they are maintained accurately.

Agent Signature

Client Signature

Dated

Dated

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Client Authorization to Bind Coverage

After careful consideration of your proposal dated May 9, 2019, **Hardin County** accepts your insurance program subject to the following exceptions/changes:

Exceptions:

It is understood this proposal provides only a summary of the details; the policies will contain the actual coverages.

We confirm the values, schedules, and other data contained in the proposal are from our records and acknowledge it is our responsibility to see that they are maintained accurately.

Please provide us with a binder(s) and invoice(s) for the coverages agreed upon at your earliest convenience.

Agent Signature

Client Signature

Dated

Dated