

**BOARD OF SUPERVISORS  
FINANCE/GOVERNMENT OPERATIONS AND  
ECONOMIC DEVELOPMENT COMMITTEE  
ACTION ITEM**

**SUBJECT:** **CONTRACT RENEWAL/Property, Liability and  
Automobile Coverage**

**ELECTION DISTRICT:** Countywide

**CRITICAL ACTION DATE:** June 14, 2016

**STAFF CONTACTS:** Nelia Larson-Mann, Human Resources  
Jeanette Green, Human Resources  
Cheryl L. Middleton, Finance and Procurement

**PURPOSE:** To renew the contract for Property, Liability, and Automobile Coverage.

**RECOMMENDATION:** Staff recommends that the Finance/Government Operations and Economic Development Committee recommend to the Board of Supervisors (Board) that the Purchasing Agent be authorized to renew the contract for Property, Liability, and Automobile Coverage with the Virginia Association of Counties (VACo) Risk Management Programs, Inc. in the amount of \$713,644.

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**BACKGROUND:** On May 20, 2015, the Board of Supervisors authorized the Purchasing Agent to exercise the fourth one year renewal for the contract for Property, Liability, and Automobile Coverage with the Virginia Association of Counties (VACo) Risk Management Programs, Inc. in the amount of \$658,551.

The Virginia Association of Counties Group Self-Insurance Risk Pool was established in 1993 at the request of Virginia counties seeking an alternative to the insurance marketplace to provide coverage and risk services to local government entities and school divisions across the Commonwealth. VACo Risk Management Programs, Inc. specializes in providing a variety of coverage to counties, county school systems and county related agencies. This contract provides administration of property, liability and automobile coverage, and risk management services. These include, but are not limited to: claims processing and administration, contract reviews, training, property inspections, OSHA compliance reviews, claims review and consultative services. The current contract period ends June 30, 2016. VACo has been successfully providing this coverage to the County since 1999. Therefore, staff is seeking approval to exercise the final one year renewal under the contract with VACo Risk Management Programs, Inc. for the period of July 1, 2016 through June 30, 2017 in the amount of \$713,644.

Per §2.2-4345, paragraph 13 of the Code of Virginia, this procurement is exempt from competition. Staff conducted a thorough review of the County's program, including claims data and existing deductibles in 2011. Changes were made based on the County's historical claims experience and recommendations from VACo Risk Management for an entity the size of Loudoun County resulting in a 9% premium reduction for FY 2012. Further review of auto liability coverage due to vehicle aging resulted in a 14% reduction to auto premiums for FY 2013. At the Board's direction, excess liability coverage for Constitutional Officers was added in FY 2014. Staff reviews coverage levels annually to determine if adjustments would be appropriate. No changes are recommended for the upcoming contract year.

**FISCAL IMPACT:** The value of the one (1) year renewal for the administration of coverage and risk management services is \$713,644, representing an 8.4% increase in premium. The premium increase is attributable to \$32 million in increased property values (8.2%) from last year which includes: the addition of several new county business locations; a 3.1% increase in the number of County vehicles; and the addition of transit buses replacement cost coverage.

A schedule detailing coverages and the associated premiums is provided in Attachment 1. Sufficient funding is available for this contract renewal, which was included in the Department of Human Resources FY 2017 Operating Budget.

**ALTERNATIVES:**

1. Recommend to the Board that the Purchasing Agent be authorized to renew the contract for Property, Liability, and Automobile Coverage with the Virginia Association of Counties (VACo) Risk Management Programs, Inc. in the amount of \$713,644.

OR

2. Do not recommend the contract renewal and direct staff how to proceed. This option may result in a coverage lapse.

**DRAFT MOTIONS:**

1. I move that the Finance/Government Operations and Economic Development Committee recommend to the full Board of Supervisors that the Purchasing Agent be authorized to renew the contract for Property, Liability and Automobile Coverage with the Virginia Association of Counties (VACo) Risk Management Programs, Inc. in the amount of \$713,644 for the period of one (1) year.

OR

2. I move an alternate motion.

**ATTACHMENT:**

1. Schedule of Property and Liability Insurance



**VACORP**

**2016-2017**

Self Insurance Proposal for Property, Liability,  
and Automobile Coverage

**Proposal to: Loudoun County**



For additional information, contact:  
Stephanie Heintzleman  
1315 Franklin Road SW  
Roanoke, VA 24016  
Phone: (844) 986-2705

**Presented: March 23, 2016**

Package coverages, terms, conditions and exclusions are only briefly outlined. For complete provisions please refer to the coverage contract.

**ATTACHMENT 1**



**VACORP**

**We provide the most extensive coverage and service  
at stable and extremely competitive pricing.**

## **Why VACORP?**

### **Member-Owned, Member Governed**

VACORP provides coverage and risk management expertise to local government entities throughout Virginia. By pooling risks, members enjoy the benefits of comprehensive coverage, cost savings, and price stability. Unlike a commercial carrier, VACORP is governed by a Supervisory Board that is comprised of pool members that have a common interest. As a member governed organization, VACORP knows and understands its members' needs and has a proven record of quickly responding to the changes in state laws and mandates.



### **Services and Resources**

VACORP uses its expertise to custom design services to meet the specific needs of each member, including risk management consultations and on-site trainings.

- Automatic 5% dual program credit when Workers' Compensation coverage added
- Online tools allow our members easy access to claim reporting, claims data, customized loss reports, Certificate of Insurance requests, and changes to Property, Inland Marine, and Auto schedules
- Customized risk management programs designed specifically for each member based on claims/risks
- Hot topic workshops presented in various regions across Virginia
- Contract and lease review to ensure adequate coverage requirements and indemnification language
- Pollution coverage included as part of the general liability coverage
- Property appraisals are completed on a rotating basis at no charge
- Cyber risk coverage provided at no charge
- Case Management services provided by nursing professionals In-House
- Medical Bill Review to ensure cost effective treatment for injured employees
- Nurse triage services available by trained professionals
- Live and recorded training webinars
- Defensive Driver Training with Enhanced On-Site Driving Simulator
- Onsite Law Enforcement Staff Training with continuing education credits
- OSHA Training
- Online SafePersonnel Training Courses



VACORP is pleased to provide this information. Coverage details are provided in the proposal documents. Please let us know if you need additional information.



### Contribution Summary Form

Coverage	Deductible	Contribution
<b>Property:</b> Special Form; Replacement Cost (or stated otherwise); No Coinsurance; Blanket	\$25,000	\$212,099
<b>Inland Marine:</b> Replacement Cost if Reported, otherwise Actual Cash Value	\$25,000	Included
<b>Computers/Electronic Data Processing (EDP)</b>	\$25,000	Included
<b>Boiler &amp; Machinery</b>	\$1,000	\$37,207
<b>General Liability:</b> \$2,000,000 Combined Single Limit; Occurrence Form; No Annual Aggregate; Non-Audited	\$250,000	\$75,250
<b>Public Officials Liability:</b> \$10,000,000 Limit Each Wrongful Act	\$250,000	\$62,700
<b>Excess General Liability, Law Enforcement and Excess Public Officials Liability – Constitutional Officers:</b> \$3,000,000 Limit Per Wrongful Act and Annual Aggregate	Excess of the limits set forth in §2.2-1839 of the Code of Virginia.	\$67,500
<b>Automobile:</b> \$2,000,000 Liability for Owned Autos; Comprehensive/Collision on Autos \$50,000 and over in value; Automatic Coverage for Additions; Non-Audited ; Replacement Cost \$21,883,071	\$250,000 Liab. \$5,000 Comp/Coll	\$208,721
<b>Crime:</b> Blanket \$1,000,000 Faithful Performance; In/Out Robbery; Counterfeit; Forgery; Computer Fraud; Telephone Toll Fraud	\$250	\$4,350
<b>Excess Liability:</b> \$8,000,000 Limit	None	\$45,817
<b>Environmental Liability:</b> \$1,000,000 Limit	\$25,000	Included
<b>Cyber Risk:</b> \$500,000 Limit <i>(Additional quote options provided on page 4)</i>	None	Included
Total Annual Contribution		\$713,644
Dividend Rate Credit		(\$0)
Dual Program Discount, if applicable		(\$0)
<b>Grand Total Annual Contribution</b>		<b>\$713,644</b>

*In order to be eligible for VACORP membership, the following coverages must be selected: Property (where applicable), General Liability, Business Auto (where applicable), and Crime. To be eligible for LODA coverage, Workers' Compensation coverage must be in effect.*

***This proposal is based on information submitted and does not include any additions/deletions made after March 11, 2016. Any additions or deletions reported after March 11<sup>th</sup> will be reflected in the renewal billing.***

*Quarterly installment payment terms available for Workers' Compensation and LODA coverages only.*



VACORP

**Loudoun County**  
**Cyber Risk – Optional Increased Limit**  
**(Response Required)**

VACORP provides members an opportunity to increase Cyber Risk coverage. You may elect to increase Cyber Liability and/or Crisis Management, Remediation and Notification Expense. Further explanation of the coverage is outlined below.

**Cyber Risk - Increased Liability Coverage Options:**

Cyber Risk liability provides coverage due to network security breaches (including hacking and viruses) and online privacy matters (including identity theft).

<b>\$1,000,000 Total Limit</b>	<b>Call For Quote</b>
<b>\$2,000,000 Total Limit</b>	<b>Call For Quote</b>
<b>\$3,000,000 Total Limit</b>	<b>Call For Quote</b>

**Cyber Risk – Increased Expense Sublimit Options:**

Crisis Management, Remediation and Notification Expense coverage is for public relations services, expense to determine scope of breach, and notification expense required by law, including mailings and monitoring.

<b>\$250,000 Sublimit</b>	<b>Call For Quote</b>
<b>\$500,000 Sublimit</b>	<b>Call For Quote</b>

**Member Acceptance:**

After careful consideration, we select the following optional increased limit for Cyber Risk coverage effective July 1, 2016.

**Increased Liability Option:**

_____ \$1,000,000 Total Limit	_____ \$3,000,000 Total Limit
_____ \$2,000,000 Total Limit	_____ REJECT Higher Limits, \$500,000 limit will be sufficient

**Increased Expense Sublimit Option:**

_____ \$250,000 Sublimit	_____ REJECT Higher Limits, \$75,000 sublimit will be sufficient
_____ \$500,000 Sublimit	

_____	_____
<b>Printed Name</b>	<b>Title</b>
_____	_____
<b>Signature</b>	<b>Date</b>

***Please return this selection form prior to May 1st.***



## Property

- VACORP provides members with the most extensive property coverage available.
- Property coverage is Special Form; all perils are covered except those specifically excluded.

### Buildings and Contents

Total Building Values	\$371,499,760
Total Contents Values	\$42,638,690
Business Income/Extra Expense (\$100,000 Automatic or as scheduled)	\$3,000,000

### Inland Marine

Blanket Inland Marine Values	\$27,426,223
Contractors' Equipment	\$5,216,969

### Coverage Includes: (no additional charge) \*

- Architect & Engineering fees for plans, specifications, and supervision included upon replacement
- Back-up of Sewers & Drains: \$1,000,000 Limit
- Debris Removal: \$20,000,000 Pool Limit
- Pollutant Clean-up and Removal: \$500,000 Pool Limit
- Error in Reporting Provision
- Improvements and Betterments to buildings leased by the member
- Newly Acquired Property: \$10,000,000 Limit (up to 120 Days)
  - When timely reported, covered until renewal at no additional charge if under \$500,000 in value; additional charge for new values above \$500,000)
- Property in Transit: \$5,000,000 Pool Limit
- Off Premises Power Failure: \$2,000,000 Pool Limit
- Signs, fences, light poles, antenna, masts, and towers; retaining walls are covered within 1,000 feet of the premises provided their values are included in the schedule
- Building Ordinance/Increased Cost of Construction/Demolition: up to \$20,000,000 Pool Limit
- Earthquake, Volcanic Eruption, Landslide, and Mine Subsidence: up to \$50,250,000 Pool Limit
- Flood (if outside the 100 year flood plain): up to \$50,250,000 Pool Limit

*\*Does not apply to properties valued at Actual Cash Value (ACV)*

### Optional Coverage Available:

Builders' Risk during building construction (Optional - must be reported)

### Perils Covered

- Special Form; specifically drafted for local government, all perils are covered except those specifically excluded.
- Flood (if outside the 100 year flood plain) and Earthquake are included.

## Valuation

- Building & Contents – Replacement Cost, except vacant property at Actual Cash Value or stated otherwise
- Inland Marine - Replacement Cost if Reported, otherwise Actual Cash Value
- Business Income - Actual Loss Sustained

## Other Terms

- Blanket Limit
- No Coinsurance
- Vacant Buildings must be reported. *If vacant building becomes occupied, please notify VACORP to ensure proper coverage is in place.*

## Deductibles (Per Occurrence)

- \$25,000 Building & Contents
- \$25,000 Inland Marine
- \$25,000 Flood
- \$25,000 Earthquake

## Definitions

- **Replacement Cost:** The cost to repair, rebuild, or replace, at the same site, lost, damaged, or destroyed property, with other property of comparable size, material, and quality; or the applicable Limit of Coverage.
- **Actual Cash Value (ACV):** The cost to repair, rebuild, or replace lost or damaged property, at the time and place of the loss, with other property of comparable size, material and quality, less allowance for physical deterioration, depreciation, obsolescence, and depletion.
- **Functional Replacement Cost:** The cost of repairing or replacing damaged or stolen property with the same kind or quality; or comparable new property as of the time of loss; or applicable Limit of Coverage.
- **Vacant** means a building that does not contain adequate Covered Property to conduct customary business operations.

### Builders' Risk Coverage applies on the following properties:

- **Location 5162.2 – Lndfl L.ate,Frc Mn & SCADA - \$684,000 Building Limit**  
(21101 Evergreen Mills Road)
- **Location 6320.1 – L C Comm Corr (leased) - \$38,245 Building Limit**  
(107 Loudoun Street)



## Computers/Electronic Data Processing (EDP)

- This covers direct physical loss to member-owned computer equipment, fax machines, printers, and copiers.

### Basis of Contribution (\$100,000 Automatic Coverage or as scheduled)

EDP Hardware Values (Blanket)	\$20,000,000
EDP Software Values (Blanket)	Included

### Perils Covered

Special Form of direct physical damage loss including electrical and mechanical breakdown

### Valuation

Functional Replacement Cost, subject to reporting of 100% replacement values – otherwise Actual Cash Value

### Deductible

\$25,000 Per Occurrence

### Definitions

- **Replacement Cost:** The cost to repair, rebuild, or replace, at the same site, lost, damaged, or destroyed property, with other property of comparable size, material, and quality; or the applicable Limit of Coverage.
- **Actual Cash Value (ACV):** The cost to repair, rebuild, or replace lost or damaged property, at the time and place of the loss, with other property of comparable size, material and quality, less allowance for physical deterioration, depreciation, obsolescence, and depletion.
- **Functional Replacement Cost:** The cost of repairing or replacing damaged or stolen property with the same kind or quality; or comparable new property as of the time of loss; or applicable Limit of Coverage.

## Boiler and Machinery

- Boiler and machinery is comprehensive equipment breakdown coverage for direct damage to covered equipment. Examples of covered equipment include: air conditioning and refrigeration equipment, boilers and pressure vessels (air tanks, hot water tanks, cookers, and furnaces), communication systems, and electrical equipment (compressors, fans, system motors).
- Coverage includes the expense of inspections and certification of boilers and air compressors as required by the Department of Labor and Industry.

### Limits

- \$50,000,000 Limit Per Breakdown; includes Property Damage, Utility Interruption
- \$1,000,000 Business Income and Extra Expense
- \$500,000 Water Damage
- \$250,000 Hazardous Substance
- \$100,000 Ammonia Contamination
- \$250,000 Spoilage Damage
- \$25,000 Data or Media Damage

### Coverage

Property losses ranging from air conditioning equipment and HVAC systems to electrical equipment, including system motors, compressors, refrigeration equipment, fans, switchboards, coils, pipes, and air conditioning vessels

### Deductibles

- \$1,000 Per Occurrence
- 24 Hours Business Income Loss



## General Liability

- VACORP general liability coverage provides the broadest protection for public entities in Virginia.
- VACORP coverage provides protection from claims or suits for personal injury or property damage.
- Defense costs are provided for certain excluded acts or omissions.
- Excess limits available.

### Basis of Contribution

Net Operating Expense

\$158,386,328

### Limits

- \$2,000,000 Combined Single Limit for Bodily Injury and Property Damage - Each Occurrence
- No Annual Aggregate

### Additional Coverages

- Contractual Liability for Covered Contracts
- Personal Injury and Advertising Liability
- Broad Form Property Damage Liability
- Incidental Medical Malpractice
- Limited Worldwide Liability
- Owned Watercraft under 51 Feet
- Products/Completed Operations
- Volunteers included as Covered Persons (Volunteer Fire and Rescue are excluded)
- Punitive Damages Covered in Most Cases
- Employee Benefits Liability
- Drone Liability

### Sublimits

- \$500,000 Fire Damage Legal Liability – Real Property
- \$100,000 Care, Custody, and Control of Others' Property
- \$5,000 (Per Person)/\$10,000 (Per Occurrence) - Medical Payments

### Deductible

\$250,000 Per Occurrence



## Excess General Liability and Law Enforcement – Constitutional Officers

- VACORP Excess General Liability coverage provides protection for Constitutional Officers over the limits provided in §2.2-1839 of the Code of Virginia.
- This excess coverage provides protection from claims or suits for personal injury or property damage.

### Basis of Contribution

Net Operating Expense	\$158,386,328
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### Limits

- \$3,000,000 per Occurrence and Annual Aggregate in excess of limits set forth in §2.2-1839 of the Code of Virginia

### Additional Coverages

- Contractual Liability for Covered Contracts
- Personal Injury and Advertising Liability
- Broad Form Property Damage Liability
- Incidental Medical Malpractice
- Limited Worldwide Liability
- Owned Watercraft under 51 Feet
- Products/Completed Operations
- Volunteers included as Covered Persons
- Punitive Damages Covered in Most Cases
- Employee Benefits Liability

### Deductible

Coverage provided is in excess only of the liability coverage set forth in §2.2-1839 of the Code of Virginia

### **Special Provisions:**

All claims with an expected value in excess of \$500,000, including legal fees, must be reported. In addition, any claim involving a fatality, suicide, brain injury, para or quadriplegia must be reported.

A 5-year VARisk loss history must be submitted at renewal each year.

Carrier can appoint counsel to assist on any claim at its discretion. Carrier agrees not to appoint counsel without providing advance notice to the Sheriff.

Self-Insured endorsement provisions will apply.



## Public Officials Liability

- Public Officials Liability provides protection against allegations of wrongful acts, such as sexual harassment and employment practices.
- Defense costs are provided for certain excluded coverages.

### Limits

- \$10,000,000 Each Wrongful Act
- \$10,000,000 Annual Aggregate

### Policy Form

Occurrence

### Coverages

- Governing body and staff, including County Attorney considered covered persons
- Special Enforcement Officers not under the control of Sheriff considered covered persons
- Employment Practices
- Sexual Harassment
- Defense cost in addition to coverage limits

### **\$100,000 Defense Limit Provided for the Following Excluded Coverages:**

- Fraud and Dishonesty
- Profit and Gain
- Violation of Statute
- Failure to Maintain Insurance
- Breach of Fiduciary Duty
- Breach of Contract, other than Failure to Pay
- Land Use/Eminent Domain (subject to \$250,000 Deductible)

### Deductible

\$250,000 Per Occurrence



## Excess Public Officials Liability – Constitutional Officers

- VACORP Excess Public Officials Liability coverage provides protection for Constitutional Officers over the limits provided in §2.2-1839 of the Code of Virginia.
- This excess coverage provides protection from claims, suits or allegations of wrongful acts, such as sexual harassment and employment practices.

### Limits

- \$3,000,000 per Occurrence and Annual Aggregate in excess of limits set forth in §2.2-1839 of the Code of Virginia

### Policy Form

Occurrence

### Coverages

- Governing body and staff considered covered persons
- Special Enforcement Officers not under the control of Sheriff considered covered persons
- Employment Practices
- Sexual Harassment
- Defense cost in addition to coverage limits

### Deductible

Coverage provided is in excess only of the liability coverage set forth in §2.2-1839 of the Code of Virginia

### **Special Provisions:**

All claims with an expected value in excess of \$500,000, including legal fees, must be reported. In addition, any claim involving a fatality, suicide, brain injury, para or quadriplegia must be reported.

A 5-year VARisk loss history must be submitted at renewal each year.

Carrier can appoint counsel to assist on any claim at its discretion. Carrier agrees not to appoint counsel without providing advance notice to the Sheriff.

Self-Insured endorsement provisions will apply.



## Business Automobile

- VACORP coverage includes hired and non-owned vehicles.
- Automatic coverage for newly acquired vehicles at no additional charge
- Excess limits available

### Basis of Contribution

Number of Vehicles	1,169
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### Liability

#### Limits

- \$2,000,000 Liability Limit for Owned Autos - Bodily Injury and Property Damage - Each Occurrence
- No Annual Aggregate
- \$5,000 Medical Payments (Per Person)
- \$1,000,000 Non-Owned and Hired Auto Liability (excess over any other collectible insurance)
- Statutory Uninsured Motorist Coverage quoted

#### Additional Coverages

- Out of State No Fault Coverage provided at the basic minimum limits required by state law
- Newly acquired vehicles covered until renewal at no additional charge
- Unlimited Physical Damage for all owned vehicles; deductible will apply
- Replacement cost coverage can be provided on any vehicle with a replacement cost value in excess of \$50,000:
  - **\$21,883,071 Replacement Cost applies**
  - Must be reported at 100% of replacement cost value
  - Additional charge will apply

### Physical Damage

#### Deductibles

- \$250,000 Liability
- \$5,000 Comprehensive (ACV) – **coverage applies on autos \$50,000 and over in value**
- \$5,000 Collision (ACV) - **coverage applies on autos \$50,000 and over in value**
- \$5,000 Physical Damage to Hired or Borrowed Autos (*up to \$50,000*)

### Definitions

- **Replacement Cost (RC):** The Fund will pay the lesser of: (a) the cost of repairing damaged property or replacing damaged or stolen property with the same kind or quality; (b) the cost to replace the damaged or stolen property with comparable new property as of the time of loss; or (c) the Limit of Coverage applicable to the lost, damaged or stolen Covered Auto.
- **Actual Cash Value (ACV):** The cost to repair, rebuild, or replace lost or damaged property, at the time and place of the loss, with other property of comparable size, material and quality, less allowance for physical deterioration, depreciation, obsolescence, and depletion.



## Crime

- Crime provides protection from loss of money and securities, as well as, forgery and fraud.
- State-required faithful performance bonds for covered persons are included.
- Coverage is for covered crimes committed by employees and volunteers.
- Constitutional Officers are included for excess over VaRISK only, up to the Limit provided.

## Limit

\$1,000,000 Per Occurrence

## Coverage Forms

- Employee Theft
- Faithful Performance / Employee Dishonesty
- Blanket Position Bond
  - Constitutional Officers are included for excess over VaRISK only, up to the Limit provided
- Loss Inside and Outside the Premises
- Money Orders and Counterfeit Paper Currency
- Depositors Forgery
- Computer Fraud
- Telephone Toll Fraud

## Deductible

\$250 Per Occurrence

## Excess Liability

### Limits

\$8,000,000

### Coverages

- Applies to Automobile Liability\*
- Applies to General Liability

*\*Does not include Hired & Non-Owned Automobile Liability and Uninsured/Underinsured Motorists Coverage*

### Deductible

None

## Environmental Liability

- VACORP provides members with liability protection for first and third party environmental liabilities.
- Coverage for third party cleanup involving above ground pollution exposures is included.

### Limit

- \$1,000,000 Each Incident and Aggregate - Per Member
- \$2,000,000 Combined Aggregate for all Members

### Coverages

- Third Party Clean-up for above ground pollution exposures, such as:
  - Water & Sewer Operations
  - Transfer Stations
  - Spraying of Pesticides and Herbicides
  - Golf Courses
  - Above Ground Storage Tanks

### Exclusions\*

- Underground Storage Tanks
- Landfills

\*VACORP will place coverage for these excluded exposures through a commercial carrier, if requested.

### Deductible

- \$25,000 Per Occurrence



## Cyber Risk

- VACORP members are covered for online privacy matters (including identity theft), losses due to network security breaches (including hacking and viruses), copyright infringement, and online slander or libel, among other issues.

### Limits

- \$500,000 Per Occurrence and Aggregate - Per Member
- \$5,000,000 Combined Aggregate for all Members
- Increased Limit options quoted in this proposal

### Coverages

#### Network and Information Security Liability

- Liability for unauthorized access to personal identifying information such as social security numbers, credit card numbers, etc.
- Liability for transmission of a computer virus
- Includes regulatory defense, crisis management and security breach and notification expenses

#### Communications and Media Liability

- Copyright/trademark infringement, invasion of privacy, plagiarism, libel and slander through electronic mail and/or web
- Includes regulatory defense and crisis management expenses

#### Regulatory Defense Expenses

- Defense expenses for any claim by a state or federal agency resulting from Network and Information Security Liability or Communications and Media Liability

#### Crisis Management Event Expenses

- Expenses for public relations services recommended as a result of Network and Information Security Liability or Communications and Media Liability
- Subject to a \$75,000 sublimit
- Increased sublimit options quoted in this proposal

#### Security Breach Notification Expenses

- Expenses to determine scope of breach
- Notification expenses required by law, including mailings and monitoring
- Subject to a \$75,000 sublimit
- Increased sublimit options quoted in this proposal

### Deductible

None