

New Hope Community Development Corp.

Lisa A. Baker, Executive Director

147 W. Main Street
WOODLAND, CA 95695

Woodland: (530) 662-5428
Sacramento: (916) 444-8982

BOARD OF DIRECTORS

Duane Chamberlain
Marlene C. Games
Michael H. McGowan
Jim Provenza
Matt Rexroad
Helen M. Thomson
Bernita Toney

DATE: May 7, 2009

TO: New Hope Board of Directors

FROM: Lisa A. Baker, Executive Director

PREPARED BY: Janis R. Holt, Resource Administrator

SUBJECT: **Authorize the Executive Director to Accept the Most Competitively Priced Proposal for the Provision of Directors and Officers (D&O), General Liability and Property Insurance Coverage and to Execute Coverage**

RECOMMENDED ACTION:

That the Board of Directors of New Hope Community Development Corporation

1. Authorize the Executive Director to Accept the Most Competitively Priced Proposal for the Provision of Directors and Officers (D&O), General Liability and Property Insurance; and
2. Authorize the Executive Director to Execute Coverage

BACKGROUND / DISCUSSION

Since January 2004, New Hope Community Development Corporation insured their Cottonwood Meadows complex under CHARMA for their property and general liability coverage. On June 1, 2008, at the recommendation of Bickmore Risk Services (administrator with CHARMA), staff procured and purchased separate coverage for Director's and Officers and General Liability through HAIG. Staff is required to separate the property insurance from CHARMA effective 6/1/2009.

To assure that New Hope CDC retains comparable coverage at a competitive price; staff received quotes from HAIG and Heffernan with one quote pending from ORWACA, subsidiary of Housing Authority Risk and Retention Pool (HARRP). Below are the quotes received to date for all lines of insurance coverage for New Hope CDC:

HAIG	Heffernan	ORWACA
\$19,859	\$22,290	<i>Pending</i>

New Hope CDC has had experience with both HAIG and ORWACA for the provision of insurance coverage. They are both JPAs that provide competitive pricing for lines of coverage to non-profit agencies that are in the business of affordable housing. If ORWACA was selected there would be the provision of additional risk control resources for staff.

Due to the financial condition of the Cottonwood Meadows complex, staff is seeking approval to review the ORWACA quote once received; and to accept the quote if it provides lower premiums with comparable coverage with an "A" rated insurance company.

FISCAL IMPACT

Increases in premiums on property coverage for the Cottonwood Meadows complex will have a negative financial impact to the FY 2009-2010 budget.

CONCLUSION

Staff recommends approval for the Executive Director to Accept the Most Competitively Priced Proposal for the Provision of Directors and Officers (D&O), General Liability and Property Insurance and to execute coverage.



**Housing Authority
Insurance Group**

PO Box 189
189 Commerce Court
Cheshire, CT 06410
203-272-8220
800 873-0242
203-272-1334 fax

April 14, 2009
VIA EMAIL
jholt@ycha.org

Ms. Janis Holt
Yolo County Housing Authority
147 W. Main Street
Woodland, CA 95695

Revised – Increased Values

**RE: NEW HOPE COMMUNITY DEVELOPMENT CORP.
POLICY NO.: 59A2CP0000292-01**

Dear Janis:

Below is our renewal quotation for the above policy which expires on June 1st, 2009.

	Location	Coverages	Values	Deductible	Premium
Property	1 location, 2 buildings 120 N Cottonwood Ave, Woodland, CA 95695	100% Co ins.; Agreed Amount; RC; Special Cause of Loss Form Building BI/EE incl. Rental Income Contents	 \$5,219,955 \$290,000 \$82,250	\$1,000	\$13,016
Liability	47 units <u>Endorsements:</u> <i>CG 21 47 Employment-Related Practices Exclusion</i> <i>CG 21 44 Limitation of Coverage to Designated Premises or Project</i> <i>CG 21 46 Abuse or Molestation Exclusion</i>	Commercial Liability Standard ISO per occurrence form with mold exclusion Products Liability Personal/Advertising Injury Fire Legal Liability Medical Payment	\$1,000,000 per occurrence \$2,000,000 aggregate \$2,000,000 Aggregate \$1,000,000 \$200,000 \$5,000	\$0	\$3,462

This quotation is offered as a package policy only. We are unable to offer property or liability as a mono-line policy. We will issue the renewal policy as per this quote and expiring Loss Payees, if any. All state mandatory endorsements will be made a part of the policy. The General Liability coverage will have a Designated Premises Coverage Endorsement attached to limit coverage to the locations listed on the policy. Terrorism coverage is included at no charge.



AIG Small Business
100 Connell Drive, Suite 2100
Berkeley Heights, NJ 07922

April 14, 2009

HOUSING INSURANCE SERVICES INC.
PO BOX 189
CHESHIRE CT 06410 0189

Attn: Ken Merrifield

Re: Excess Liability with Crisis Response Quote for NEW HOPE COMMUNITY DEVELOPMENT
CORP
Version # 1
Submission # 102021360

Dear Ken Merrifield,

We are pleased to confirm our renewal proposal for the captioned account:

Insured Address: 147 W. Main Street
P.O. Box 1867
Woodland, CA 95695

Policy Period: From: June 01, 2009 To: June 01, 2010

Carrier: NATIONAL UNION FIRE INSURANCE COMPANY OF PITTSBURGH, PA. - An
Admitted Company

Policy Form: 90269 (02/06), applicable state endorsements and attachments as outlined below

Renewal of: 1714323

Limits: \$4,000,000 Each Occurrence
\$4,000,000 General Aggregate
\$4,000,000 Products & Completed Operations Aggregate
\$250,000 Crisis Response Limit of Insurance
\$50,000 Excess Casualty Crisis Fund Limit of Insurance

Annual Premium: \$2,046.00

Term Premium: \$2,046.00

**Taxes/Fees/
Surcharges:** \$0.00 / \$0.00 / N/A

Commission: 15.00 %

Taxes, Surcharges, and Fees are in addition to the above stated Policy Premium.

Note: Please be advised that there may be Taxes and Surcharges due. There is no commission collectable from these charges. Charges are based on the Annual or Term Premium, whichever is applicable.

Audit: Exposure Base:Flat Rated
 Estimated Annual Exposure:Flat Rated
 Rate Basis:Flat Rated
 Rate:Flat Rated

Terms and Conditions:

1. Premium Payment is due within thirty (30) days of the effective date.
2. Primary carrier must be rated A - VII or better by Bests.

Underlying Limits:

<u>Type of Policy or Coverage</u>	<u>Insurer, Policy No. and Policy Limits Period</u>	<u>Limits</u>
GENERAL LIABILITY	American Alternative Insurance Corporation TBD 06/01/09 06/01/10	\$1,000,000 PER OCCURRENCE \$2,000,000 GENERAL AGGREGATE \$2,000,000 PRODUCTS & COMPLETED OPS. AGGREGATE
		Defense Expenses are in addition to the limit

This quote letter is predicated upon the understanding that the submitted information is accurate, the Loss information includes total incurred losses ground up and that the losses have not been capped. The terms and Conditions of this offer of Umbrella or Excess coverage may be amended should there be discovery of a material change to the submitted information.

For a complete description of coverage, please review the Policy's Terms, Restrictions & Limitations. Please note that the Policy is amended by the following Attachments.

Attachments:

Endorsement Number	Endorsement Name	Version Date
90268	PRIME EXPRESS DEC	(01/06)
UNDSCH	SCHEDULE OF UNDERLYING	(05/99)
90269	PRIME EXPRESS POLICY	(02/06)
96556	POLICYHOLDER DISC - NOTICE OF TERRORISM INS COVG	(01/08)
90270	ACT OF TERRORISM SIR ENDORSEMENT	(01/06)
100578	AIG REAL ESTATE ADV - COVERAGE ENHANCEMENT ENDT.	(10/08)
100577	AIG REAL ESTATE ADV - NAMED PERIL & TIME ELEMT POL	(10/08)
91528	AUTOMOBILE LIABILITY EXCLUSION	(08/06)
52133	CALIFORNIA AMENDATORY ENDT	(03/94)
89644	COVERAGE TERRITORY ENDT.	(07/05)
95418	CRISISRESPONSE COVERAGE ENHANCEMENT ENDORSEMENT	(08/07)
90293	DUTIES IN THE EVENT OF AN OCCURRENCE, CLAIM OR SUI	(01/06)
99496	ECONOMIC OR TRADE SANCTIONS CONDITION AMEND. ENDT.	(06/08)
91530	EMPLOYERS LIABILITY STOP GAP EXCLUSION	(08/06)

90310	FOREIGN LIABILITY EXCLUSION ENDORSEMENT	(01/06)
90318	LIQUOR LIABILITY EXCLUSION ENDORSEMENT	(01/06)
90334	RES.CONST.OPS.EXCL.END.W EXC. FOR REPAIR AND REMOD	(01/06)

Thank you for selecting A.I.G. as a market for your business. Please call at following number with any questions you may have.

This Quote contains only those Terms & Conditions outlined in our Policy Form and attachments as noted in this letter. Any exclusions requiring data entry are subject to review and approval by insurer prior to issuance. We reserve the right to amend the information provided, and to add endorsements at the insurer's discretion.

The premium indication is valid until 05/14/2009

CANADIAN EXCISE TAX ACT:

The quote may cover exposures (insured's and/or risk's) in Canada. Insured's may be subject to excise tax related to such Canadian exposures and should seek appropriate advice on compliance with applicable Canadian law.

Please advise us immediately if you are interested in obtaining a separate Canadian policy for the insured's Canadian exposure, if applicable. If you elect to have a separate Canadian policy, you must designate a licensed Canadian broker. The companion Canadian policy will share limits with the U.S. issued policy.

AIG Member Companies:

NATIONAL UNION FIRE INSURANCE COMPANY OF PITTSBURGH, PA.

FEDERAL TERRORISM RISK INSURANCE ACT OF 2002 DISCLOSURE NOTICE

"You are hereby notified that under the federal Terrorism Risk Insurance Act of 2002 (the "Act") effective November 26, 2002, you now have a right to purchase insurance coverage for losses arising out of an Act of Terrorism, which is defined in the Act as an act certified by the Secretary of the Treasury (i) to be an act of terrorism, (ii) to be a violent act or an act that is dangerous to (A) human life; (B) property or (C) infrastructure, (iii) to have resulted in damage within the United States, or outside of the United States in case of an air carrier or vessel or the premises of a U.S. mission and (iv) to have been committed by an individual or individuals acting on behalf of any foreign person or foreign interest, as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion. You should read the Act for a complete description of its coverage. The Secretary's decision to certify or not to certify an event as an Act of Terrorism and thus covered by this law is final and not subject to review. There is a \$100 billion dollar annual cap on all losses resulting from Acts of Terrorism above which no coverage will be provided under this policy and under the Act unless Congress makes some other determination.

For your information, coverage provided under this proposal or binder for losses caused by an Act of Terrorism may be partially reimbursed by the United States under a formula established by the Act. Under this formula the United States pays 85% of terrorism losses covered by this law exceeding a statutorily established deductible that must be met by the insurer, and which deductible is based on a percentage of the insurer's direct earned premiums for the year preceding the Act of Terrorism.

The coverage offered includes a premium charge for Terrorism of 1% that is included in the total premium above."

Best Regards,

AIG Small Business
Phone:(908) 679-3000
Fax: (800) 315-3896
Email: aigsb@aig.com



AIG Small Business

is a unit of NATIONAL UNION FIRE INSURANCE COMPANY OF PITTSBURGH, PA.
a member property and casualty insurance company of American International Group Inc.



PHILADELPHIA INSURANCE COMPANIES

PO Box 70251
PHILADELPHIA, PENNSYLVANIA 19176-0252

INVOICE

Invoice Date: 4/2/2009 **Invoice P12339508**
Account Number: 80046317
Policy Number: PHSD411656
Binder Number: 3399207
Policy Term Premium: \$1,335.00
Taxes/Fees/Surcharges: \$0.00
Product: FF - Flexi Plus Five
Policy Effective Date: 6/3/2009
Gross Amount Due: \$1,335.00 (includes taxes/fees/surcharges)
Payment Plan: FIXED ANNUAL
Due Date: Coverage has been bound in consideration of the payment of the Amount Due within the later of:
 1. 21 days from the date of the invoice; or
 2. The policy effective date.
 All coverage is considered null and void if payment is not made as required.

Agent: Housing Insurance Services
 189 Commerce Court
 Cheshire, CT 06410

Billing Contact: accounts payable
Billed To:
Policy Holder: NEW HOPE COMMUNITY DEVELOPMENT CORP
 147 W MAIN ST
 WOODLAND, CA 95695

Payment Instructions: Detach and return with check made payable to Philadelphia Insurance Companies. To pay by Credit card, call Customer Service at 877-438-7459. We accept Visa, Mastercard, and American Express.



PHILADELPHIA INSURANCE COMPANIES

Binder Number: 3399207
 NEW HOPE COMMUNITY DEVELOPMENT CORP
 147 W MAIN ST
 WOODLAND, CA 95695

Invoice Number:	16012339508
Account Number:	80046317 6
Billing Date:	4/2/2009
Amount Due:	\$1,335.00

Remittance Amount: \$

PHILADELPHIA INSURANCE COMPANIES
 PO BOX 70251
 PHILADELPHIA PA 19176-0251

16012339508 000000080046317 6 20090402 20090422 00000000133500 9



HEFFERNAN INSURANCE BROKERS

Your CHOICE for Insurance

**Proposal
of Insurance
for
New Hope Community Development
Corp.**

Presented By:

Kerry Dantzig, Account Executive
Stacey Okimoto, Account Manager



HEFFERNAN INSURANCE BROKERS

A Member of the Heffernan Group

HEFFERNAN INSURANCE BROKERS

1350 Carlback Ave, Suite 200
Walnut Creek, CA 94596
Phone Number: 925-934-8278
Fax Number: 925-934-8500
License #0564249

April 27, 2009

Premium Recap

Coverage/Carrier	Term	Insurance Company	Policy #	AM Best ¹	Status in California	Premium
Property	06/01/09 to 06/01/10	Philadelphia	TBD	A+ VII	Non-Admitted	\$12,328
General Liability	06/01/09 to 06/01/10	Philadelphia	TBD	A+ VII	Non-Admitted	\$2,685
Automobile	06/01/09 to 06/01/10	Philadelphia	TBD	A+ VII	Non-Admitted	\$268
Excess/Umbrella:	06/01/09 to 06/01/10	Philadelphia	TBD	A+ VII	Non-Admitted	\$5,000
Surplus Lines taxes & fees	06/01/09 to 06/01/10	Philadelphia	TBD	A+ VII	Non-Admitted	\$654
Total Premium:						\$20,935

Notes:

- Should you (the insured) elect to cancel your policy mid-term, you may be charged a short-rate cancellation penalty as determined by the insurance carrier.
- Please refer to the policy for a complete list of exclusions, warranties, endorsements and limitations.
- We recommend that you keep a copy of your policy (ies) and endorsements. Heffernan Insurance Brokers' retention policy is five (5) years from the expiration date of the policy as required by The Department of Insurance.
- **Deductible Options: \$25,000 = \$19,408; \$10,000= \$19,917; \$2,500= \$22,208**
- **Payment Options: 2, 3, 5 or 9 monthly installments. Minimum Installment is \$500**
- **Quote Conditions: Confirmation that all exposure to lead based paint or aluminum wiring has been removed.**

Please be advised that this quote will expire 30 days from the quote unless otherwise noted

¹ All AM Best Ratings were verified as of 4/28/09

Property Coverages

Blanket Building:

Limit:	\$5,219,955
Coinsurance:	90%
Valuation:	Replacement Cost
Deductible:	\$5,000
Perils:	All Risk, excluding Earthquake and Flood

Blanket Business Personal Property:

Limit:	\$82,250
Coinsurance:	90%
Valuation:	Replacement Cost
Deductible:	\$5,000
Perils:	All Risk, excluding Earthquake and Flood

Blanket Business Income/Extra Expense:

Limit:	\$290,000
Coinsurance:	100%
Valuation:	Actual loss sustained subject to limits
Deductible:	N/A
Perils:	Special Form

Property Coverages - Extensions of Coverage

Coverage	Limit of Insurance (per Occurrence, not Per Location)
Pollutant Clean Up and Removal	\$25,000
Fire Department Service Charge	\$50,000
Newly Acquired or Constructed Property	\$1,000,000
Personal Effects	\$25,000
Property of Others	\$25,000 Personal Property
Valuable Papers & Records	\$250,000
Property Off Premises	\$100,000
Debris Removal	\$250,000
Emergency Vacating Expense	\$25,000
Fines for False Alarms	\$5,000
Fire, Sprinkler or Burglar Alarm Upgrade	\$50,000
Glass	Included in Policy limits
New Construction	\$500,000
Precious Metals	\$2,500
Accounts Receivables	\$250,000
Signs	Included in Policy Limits
Theft Damage to Building	Included in Policy Limits
Voluntary Parting	\$10,000
Lock Replacement	\$2,500
Arson Reward	\$25,000
Consequential Damage	\$25,000
<u>Ordinance or Law Coverages</u>	
Undamaged Portion of Building	Building Limit
Demolition Cost	\$250,000
Increased Cost of Construction	\$250,000
Fine Arts	\$25,000
Utility Services – direct damage	\$10,000
Property in Transit	\$50,000

Bell Endorsement

Identity Theft	\$25,000
Kidnap Expense	\$50,000
Terrorism Travel Reimbursement	\$25,000
Key Individual Replacement Expense	\$50,000
Emergency Real Estate Consulting Fee	\$25,000
Image Restoration and Counseling	\$25,000
Temporary Meeting Space Reimbursement	\$25,000
Donation Assurance	\$25,000
Workplace Violence Counseling	\$25,000
Business Travel	\$25,000
Crisis Management	\$25,000

Crime Coverages

Employee Dishonesty:

Limit:	\$100,000
Deductible:	\$1,000

Theft of Money and Securities – Inside the Premise

Limit:	\$25,000
Deductible:	\$1,000

Theft of Money and Securities – Outside the Premise

Limit:	\$25,000
Deductible:	\$1,000

Kidnap, Ransom, Extortion

Limit:	\$25,000
Deductible:	None

Boiler and Machinery

Property Damage Limit: \$5,302,205
Property Damage Deductible: \$5,000
Business Income & Extra Expense Limit: \$290,000
Business Income & Extra Expense Deductible: 24 Hours

Some Additional Coverages:

Water Damage Limit: \$100,000
Hazardous Substance Limit: \$100,000
Spoilage Limit: \$100,000
Newly Acquired Location Limit: \$1,000,000
Ordinance or Law Limit: \$250,000

Commercial General Liability

Limits of Liability:

General Aggregate Limit:	\$3,000,000
Products/Completed Operations Aggregate Limit:	\$3,000,000
Personal & Advertising Injury Limit:	\$1,000,000
Each Occurrence Limit:	\$1,000,000
Damage to Premises Rented to You:	\$100,000 any one premises
Medical Expense Limit:	\$5,000 any one person

General Liability Additional Coverages:

Employee Benefits Liability:

\$1,000,000	Occurrence Limit
\$1,000,000	Aggregate Limit

Abuse and Molestation (sub-limit to the General Liability):

\$1,000,000	Aggregate
\$1,000,000	Per Person Abused or Molested

Note: Indemnity & defense costs are included in the General Liability Limits

Human Services Organization Professional Liability:

\$1,000,000	Aggregate
\$1,000,000	Each Professional Incident

Special Notes:

Development Exposure: the policy will limit coverage for the development operations to premises liability only. Additionally all contracts for the development involving sub-contractors and general contractors are required to contain an indemnity clause and additional insured in favor of the insured with a minimum of \$1,000,000 per occurrence. This requirement applies to all parties involved in the development.

Please read your policy for **ALL** Exclusions, Limitations and Terms & Conditions.

Umbrella / Excess Liability Coverage

Coverage A: Liability Excess Over Your Underlying Policies.

Coverage B: Liability Excess Over The Self Insured Retention.

Limits of Liability:

\$5,000,000 Each Occurrence
\$5,000,000 Annual Aggregate
\$10,000 Self-Insured Retention for Coverage B

** Excludes Coverage for Directors & Officers Liability and Improper Sexual Conduct **

Schedule of Underlying Policies		
Coverage	Carrier	Term
General Liability	Philadelphia	6/1/09-10
Automobile (Non-owned only, if applicable)	Philadelphia	6/1/09-10
Professional Liability	Philadelphia	6/1/09-10



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PO BOX 70251
PHILADELPHIA, PENNSYLVANIA 19176-0252

INVOICE

Invoice Date: 4/2/2009 **Invoice P12339508**
Account Number: 80046317
Policy Number: PHSD411656
Binder Number: 3399207
Policy Term Premium: \$1,335.00
Taxes/Fees/Surcharges: \$0.00
Product: FF - Flexi Plus Five
Policy Effective Date: 6/3/2009
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Payment Plan: FIXED ANNUAL
Due Date: Coverage has been bound in consideration of the payment of the Amount Due within the later of:
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Agent: Housing Insurance Services
 189 Commerce Court
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Billing Contact: accounts payable
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