

PROPERTY & CASUALTY INSURANCE AUDIT

**AN OBJECTIVE COVERAGE ANALYSIS
OF THE INSURANCE PORTFOLIO FOR ABC CHARTER SCHOOL**

8/1/2012




**Prepared By:
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Client Summary

Entity Type	Non-Profit	
Subsidiaries	None	
Owners		
Description of Operations	Charter School	
Gross Sales	\$4,000,000	
Gross Payroll	\$2,500,000	
Insurance Program Structure	Separate Policies: 10 Different Policies 4 Different Carriers 3 Different Renewal Dates	Combine Policies - Combine Policies with Common Carriers & Synchronize Renewal Dates * Achieve Continuity of Coverage Reducing Potential Gaps in Coverage
Insurance Companies	Chartis Insurance Company Property, General Liability, Umbrella, Crime, Business Income Darwin Speciality (D&O, EPLI) Sequoia Insurance Company	A.M. Best Rating is Superior and Company Outlook according to A.M. Best is Stable. Non-Admitted Carrier A.M. Best Rating is Excellent and Company Outlook according to A.M. Best is Stable A.M. Best Rating is Excellent and Company Outlook according to A.M. Best is Stable.

Observations/Recommendations

 All carriers are "A" Rated with stable to positive outlooks.



Key Code:




-  Positive Point of Interest
-  Neutral Point of Interest
-  Area of Concern

Policy Summary




General Liability

Coverage Item	Present Insurance Program	Jolley Recommendations
General Aggregate	\$2,000,000	\$2,000,000
Products / Completed Operations Aggregate	\$1,000,000	\$2,000,000
Each Occurrence Limit	\$1,000,000	\$1,000,000
Personal & Advertising Injury	\$1,000,000	\$1,000,000
Employee Benefits Liability	\$1,000,000	\$1,000,000
Damage to Premises Rented to You	Not Covered	\$300,000 Minimum Limit
Medical Expenses	Not Covered	\$10,000
Deductible - Per Occurrence	\$10,000	
G/L Premium Basis	# of Students	
Minimum Premiums	100% Minimum Premium Retention	
Notable Exclusions	Professional Liability	
	Abuse	
Premium	\$23,000	

Observations/Recommendations

 Abuse and molestation exclusion
 Professional Liability Exclusion
 Premium is based upon # of students and is non-auditable.

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Policy Summary




Commercial Auto

Coverage Item	Present Insurance Program		Limits
Liability	\$1,000,000 CSL - Symbol <u>Not</u> Stated		\$1,000,000 CSL - Symbol 1
Auto Medical Payments	<input type="checkbox"/>	No Coverage	\$10,000
Uninsured / Underinsured Motorist	<input type="checkbox"/>	No Coverage	\$1,000,000
Hired & Non-Owned Auto Liability	<input type="checkbox"/>	No Coverage	\$1,000,000
Hired Auto Physical Damage	<input type="checkbox"/>	No Coverage	Include
Equipment Coverage on Vehicle or Trailer	<input type="checkbox"/>	No Coverage	
Deductible	\$1,000		
Radius	51-100 Miles for all Vehicles		
Excluded Drivers	Julio Villalobos		
Premium	\$58,102		

Observations/Recommendations

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Policy Summary




D&O, EPLI, and Fiduciary Liability

Coverage Item	Present Insurance Program	Limits
Directors & Officers	<input checked="" type="checkbox"/> Included	\$1,000,000
Deductible	\$10,000	
Hammer Clause	<input type="checkbox"/> No Coverage	80%/20% "Soft Hammer"
Choice of Counsel	<input type="checkbox"/> No Coverage	Choice of Counsel
Premium	\$3,500	




Employment Practices	<input checked="" type="checkbox"/> Included	\$1,000,000 minimum limit
Deductible	\$10,000	
Defense Costs	Outside the Limits	
Third Party Coverage	<input checked="" type="checkbox"/> Included	
Hammer Clause	<input type="checkbox"/> No Coverage	80%:20% "Soft Hammer"
Wage & Hour / FLSA Defense Limit	<input type="checkbox"/> No Coverage	150,000 Defense Sub-Limit
Loss Control & HR Services	<input checked="" type="checkbox"/> Included	24 Hour Hotline & Online Support
Premium	\$5,500	

Fiduciary Liability	<input type="checkbox"/> No Coverage	\$1,000,000 minimum limit
Deductible	\$0	
ERISA Coverage	<input type="checkbox"/> No Coverage	Included
Premiums	Two Year Policy \$22,182	

Observations/Recommendations

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Policy Summary




Umbrella/Excess Liability Insurance

Coverage Item	Present Insurance Program	Recommendations / Comments
Aggregate Limit - Products & Completed Operations	<input checked="" type="checkbox"/> Included	Evaluate Exposure - Contracts, Losses, Risk Tolerance
Aggregate Limit - All Other Coverages	<input type="checkbox"/> No Coverage	Evaluate Exposure - Contracts, Losses, Risk Tolerance
Per Occurrence Limit	<input type="checkbox"/> No Coverage	Evaluate Exposure - Contracts, Losses, Risk Tolerance
Premium		

Observations/Recommendations

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