

11-7-2022-3

Date: November 7, 2022
To: Mayor and City Council
From: ^{Ed} Ed A. and ^M Mario L.
Re: Builders Risk Policy

The Building Committee and Board of Education will be meeting on Thursday, November 10th to approve the Builders Risk Policy for the building project as presented.

I've attached the following document:

(a) Builders Risk Policy – Zurich Insurance Company

I would appreciate if you included this item on the next City Council agenda for a vote to approve Zurich Insurance Company for the Builders Risk Policy for the HS/MS/Central Office Construction Project.

Any questions please contact me.

Thank you in advance for your continued assistance for this project.

2022 NOV -7 AM 9: 00
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TORRINGTON TOWN CLERK



PROPERTY & CASUALTY

Proposal Prepared for

City of Torrington

Policy Period 11/01/2022 - 03/01/2026

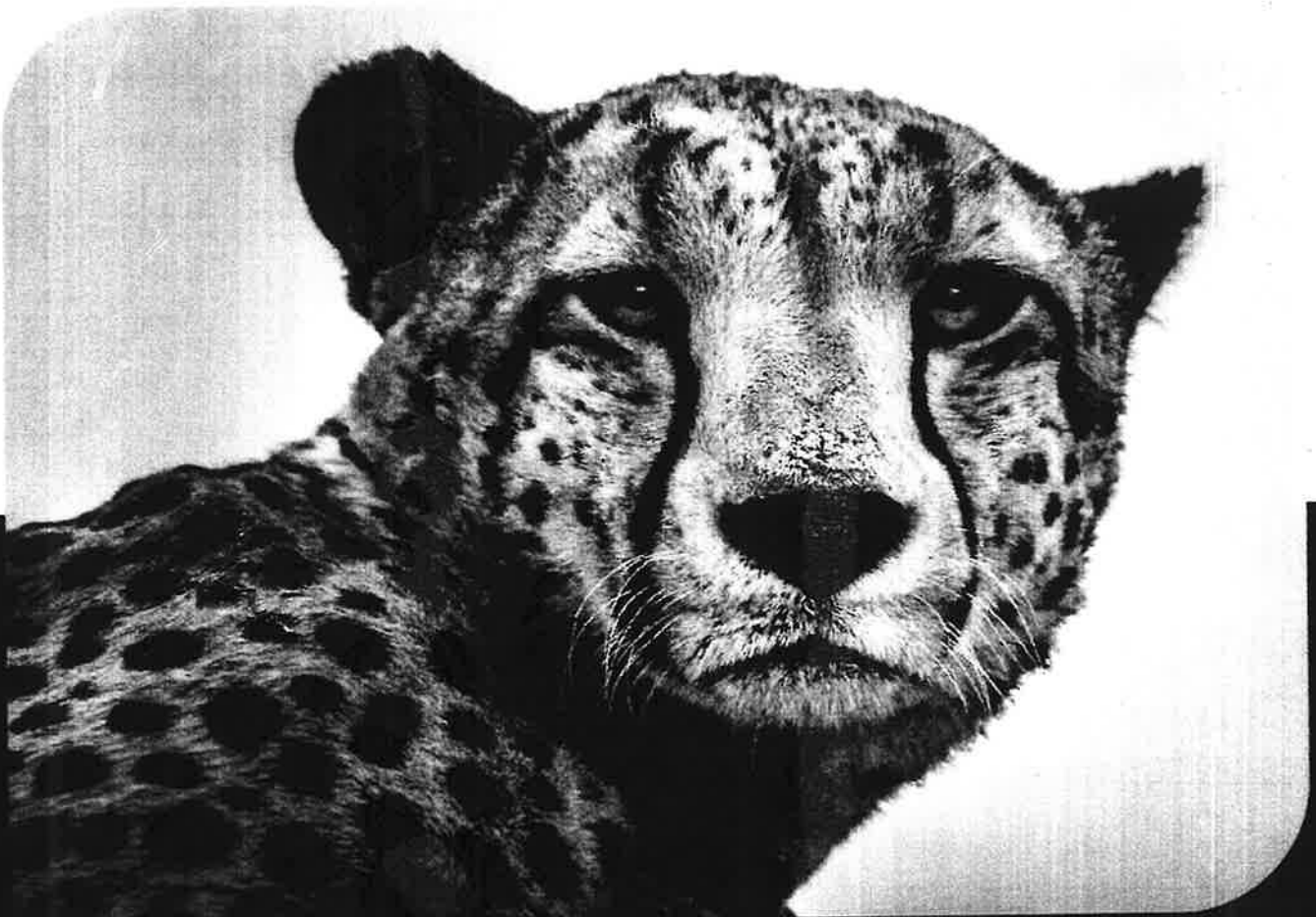


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Who We Are

Growth has no finish line.

No matter where you are on your growth journey, we can help you find solutions to meet your ever-evolving insurance and risk management needs. If you are a highly complex multinational company, an individual or anything in between, our experienced teams can help every step of the way.

Discover Our Capabilities

As a successful business, you plan for the future and adapt as circumstances change your course. At Brown & Brown, we help you navigate the path forward, by taking a different approach to how you view, analyze and purchase insurance. Your exposures are unique, and you deserve coverage options designed to help protect your assets, interests and reputation. Our teams work to understand your business and your risk management plan by providing personalized local service complemented by the exceptional resources and capabilities of a national brokerage.

Our History

Brown & Brown Insurance was founded in Daytona Beach, Florida, in 1939 by cousins J. Adrian Brown and Charles Covington Owen. In 1959, Adrian's son, Hyatt, took leadership of the family business. Under his direction, the Brown & Brown vision of a lean and profit-oriented organization came into focus. Following a merger in 1993, the company became Poe & Brown, Inc., publicly traded on Nasdaq. In 1998, Poe & Brown was changed back to Brown & Brown and became listed on the New York Stock Exchange (NYSE: BRO), joining the S&P 500 in 2021. The company has continued to thrive under Chief Executive Officer (CEO) J. Powell Brown, who became the third generation to lead the organization in 2009. We consistently deliver high-quality solutions and services to a broad array of customers. With a precise and focused acquisition strategy, Brown & Brown has become one of the insurance industry's most powerful and influential leaders.

Our Mission

We are dedicated to making a positive difference in the lives of our customers by helping to protect what they value most. With 350+ locations and growing, we have teammates across the globe who are dedicated to serving our customers and local communities.

Our Culture

We believe in doing what is best for our customers, communities, teammates, carrier partners and shareholders—always. Powered by a culture that values high performance and perseverance, the cornerstone of Brown & Brown's guiding principles are people, service and innovation.

5TH LARGEST

Insurance Brokerage in the Nation

350+ LOCATIONS

And Growing

8,000+

Retail Teammates



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Information provided by you and your broker is not to be used by Brown & Brown for any other purpose.

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Preparing You for Tomorrow's Risks—Today™

We pride ourselves on our ability to couple national strength with local, personalized service. Our Brown & Brown of Connecticut, Inc. - based team is as connected to the more than 11,000 teammates across Brown & Brown and our team of companies as it is here in our community.

We have become a leading insurance brokerage because we view insurance differently and utilize our vast experience and wide-reaching network to deliver superior service and solutions to our customers, both big and small.

We believe that our teammates and the relationships they form with our customers are our strength. Our reputation has been built on a solid foundation of teamwork, strengthened by people who are dedicated to providing the highest degree of service. Our team thanks you for the opportunity to work together. Please find our contact information below.

Service Team

Name	Title	Email	Business Phone
James Parmiter	Producer	James.Parmiter@bbbrown.com	(860)665-8449
Matthew Noeker	Producer	Matthew.Noeker@bbbrown.com	(860)665-8465
Samantha Richardson	Account Representative	Samantha.Richardson@bbbrown.com	(860)665-8430



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Named Insured

Policy Type	Named Insured
Builders Risk	City of Torrington

This list includes all the named insureds we presently have on your policies. Should any revisions to this listing be required, please notify our office immediately.



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Location

Address	City	State	Zip
50 Major Besse Drive	Torrington	CT	06790

Project Details:

This is a project of a new High School and Middle School complex. Construction is Fire Resistive with the Middle School being 3 stories and the High School being 5 stories. The completion of the new buildings will be June 1, 2025. Project also includes the abatement and demolition of the existing school building which will commence on March 1, 2025, and completion of abatement and demolition will be August 1, 2025.



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Builders Risk Limits of Liability

Coverage	Limit	
Policy Limit of Liability	\$160,091,564	Per Occurrence
Builders Risk Property Limits of Liability		
Project Site	\$157,591,564	Per Occurrence
• Escalation Clause- Insured Project	10%	
• Transit	\$5,000,000	Per Conveyance
• Temporary Offsite Location	\$5,000,000	Per Location
• Water Damage	Included	Per Occurrence
Delay In Completion Aggregate Limit of Liability	\$2,500,000	Aggregate

Higher Limits may be available.

****Subject to coverage only for the existing Gymnasium during deconstruction of building with structural steel frame remaining intact and the new construction materials used to complete the Gymnasium along with the remainder of the new school buildings. Notification required prior to the deconstruction of the Gymnasium shell.**

Terms, Conditions, Endorsements, Exclusions, and/or Limitations include but are not limited to:

Government Action; Nuclear Hazard; War and Military Action; Consequential Loss; Cost of Correcting or Making Good Faulty or Defective Workmanship or Material, or Error/Omission/Deficiency in design, plans or specifications (Resultant Damage covered); Wear & tear, gradual deterioration, inherent vice (Resultant Damage covered); Disappearance or shortage disclosed on taking inventory; Dishonest Acts; Fungus; Pollution and Contamination; Normal subsidence & settling; Electronic vandalism, defects or errors; and others per policy form.



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Coverage Extensions

The Coverage Extensions Limits of Liability shown below apply as per "occurrence", unless stated otherwise. These Coverage Extension Limits of Liability are subject to, the Policy Limit of Liability. If 'NCP' is shown under the Limits of Liability for a Coverage Extension, then no coverage is provided for that Coverage Extension.

Coverage	Limits of Liability
Claim Preparation Expense	\$250,000
Construction Documentation and Records	\$2,500,000
Construction Trailers	\$250,000
Contract Penalties	Not Covered
Contractor and Owner Additional Expenses	\$1,000,000
• Contractor Expenses	\$250,000
• "Owner's Extra Expense"	\$250,000
Crane Re-Erection Expense	\$250,000
Damage to Existing Real Property Due to Construction Activities	Not Covered
Debris Removal	\$10,000,000
Design Professional Fees	\$2,500,000
Emergency Property Protection Expense – Annual Aggregate	\$1,000,000
Fire Protective Equipment Refills	\$1,000,000
Off Premises Service Interruption – Additional Expenses	\$2,500,000
• Waiting Period	24 Hours
• Maximum Days Limit	30 Days
Ordinance or Law – Demolition and Increase Cost of Construction	\$10,000,000
Ordinance or Law – Undamaged Portion of the Insured Project	Included in Project Site Limit of Liability
Pollutant Clean-Up and Decontamination – Policy Aggregate	\$500,000
Prevention of Access – Ingress or Egress	\$500,000
Protection Service Charges	\$500,000
Reward Payments	\$500,000
Spare Construction Materials	\$1,000,000

As respect to Delay in Completion Coverage, the following shall apply per "occurrence":

Civil Authority	\$250,000	30 Days
Ingress or Egress	\$250,000	30 Days
Off Premises Service Interruption	\$250,000	30 Days
Ordinance and Law	Included	

Catastrophe Limits of Liability:

Earthquake	\$160,091,564
Flood	\$160,091,564
Named Storm	\$160,091,564



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Builder's Risk Property

Policy Form: Zurich Completed Value Builders Risk Coverage Form

Total Project Value	
\$157,591,564	Complete cost of the "insured project", including materials and labor costs for the "insured project", "general conditions expense", construction management fees and contractor's profit and overhead; plus
\$0	Value of all other property, not included above, that is part of the "insured project" and owned by others, for which the Insured has assumed responsibility; plus
\$0	"Temporary works" not included above.
\$157,591,564	Total estimated "total project value".

Client ultimately chooses limits insured.

Deductibles: The following deductibles apply in any one "occurrence":

\$50,000	Physical loss of or damage to Covered Property, unless otherwise shown below.
\$250,000	as respects "water damage"
\$50,000	0.00% As respects "earthquake"
\$250,000	0.00% As respects "flood"
\$50,000	0.00% As respects "named storm"

Delay in Completion: The following Waiting Period applies in any one "occurrence" for all coverage provided under this endorsement:

30 Days	as respects "Soft Costs" as respects "earthquake" as respects "earthquake" as respects "flood". as respects "named storm". as respects "hot testing"
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Anticipated date of completion: March 01, 2026

Period of Indemnity: 365 Days



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Terms, Conditions, Endorsements, Exclusions, and/or Limitations include but are not limited to:

Land, land value and cut, fill and backfill materials; contractor's tools, machinery, plant and equipment not intended to become a permanent part of the "insured project"; vehicles or equipment licensed for highway use, rolling stock, aircraft or watercraft; water, standing timber, growing crops or animals; accounts, bills, currency, precious metals, precious stones or other property of a similar nature; existing real property, except as endorsed; roadways, sidewalks or other paved surfaces or underground utilities at the "project site" that existed prior to the beginning of the "insured project"; contraband or property in the course of illegal transportation or trade; or overhead transmission, distribution and communication lines, and their supporting structures, that existed prior to the beginning of the "insured project."



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Proposal Premium Summary

Line of Business	Rating Base	Annual Rate	Deposit Premium
Builders Risk Property	\$157,591,564	0.0658/\$100	\$345,510
Delay in Completion	\$2,500,000	0.1790/\$100	\$14,907
Hot Testing	Various	NCP/month	Included
Non-Auditable Exposure	Various	Various	\$20,460
Terrorism	\$160,091,564	2%	\$6,757
Total Deposit Premium			\$387,634
Minimum and Earned Premium			\$96,909
Local & State Assessments, Taxes or Surcharges			N/A
Risk Engineering Service Fee			\$0

Premium Adjustment:

If the final "total project value" varies by more than 5% of the estimated "total project value" declared at Policy inception, the final earned premium for this Policy will be calculated by applying the applicable rates shown on the Declarations for Estimated Project Premium for the actual term of coverage to the final "total project value". Based on the difference between the Total Deposit Premium and the final earned premium, the Company will charge additional premium or return any excess premium, subject to the minimum and earned premium shown on the Declarations. Any additional or return premium of \$250 or less will be waived (where permitted by state).

If the final "total project value" varies by 5% or less of the estimated "total project value" declared at Policy inception, no premium adjustments will be made. The Total Deposit Premium will be considered the final earned premium. (Not applicable in all states.)



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A. M. Best

A. M. Best Rating of Proposed Carriers:

Basic Policy Info

Line of Business	Insurance Company	Rating	Admitted / Non-Admitted
Builders Risk	Zurich American Insurance Company	A+, XV	Admitted

General Rating:

Rating Categories	Rating Symbols
Superior	A+ to A++
Excellent	A to A-
Good	B+ to B++
Fair	B to B-
Marginal	C+ to C++
Weak	C to C-
Poor	D

These rating classifications reflect AM BEST's opinion of the relative position of each company in comparison with others, based upon averages within the Property-Casualty insurance industry. They are reflective of overall company services and standing within the industry.

Financial Size Category:

Class	Range (\$ in Thousands)
Class I	Up-\$1,000
Class II	\$1,000-\$2,000
Class III	\$2,000-\$5,000
Class IV	\$5,000-\$10,000
Class V	\$10,000-\$25,000
Class VI	\$25,000-\$50,000
Class VII	\$50,000-\$100,000
Class VIII	\$100,000-\$250,000
Class IX	\$250,000-\$500,000
Class X	\$500,000-\$750,000
Class XI	\$750,000-\$1,000,000
Class XII	\$1,000,000-\$1,250,000
Class XIII	\$1,250,000-\$1,500,000
Class XIV	\$1,500,000-\$2,000,000
Class XV	\$2,000,000-Greater

The Financial Size Category is an indication of the size of an Insurer and is based on reported policyholder's surplus conditional or technical reserve funds, such as mandatory securities valuation reserve, or other investments and operating contingency funds and/or miscellaneous voluntary reserves in liabilities (\$ in Thousands)

This information has been provided to you so that consideration is given to the financial condition of our proposed carriers. The financial information disclosed is the most recent available to Brown & Brown, Inc. Brown & Brown, Inc. does not guarantee financial condition of the insurers listed above.

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Understanding Claims-Made Policy

The claims-made policy provides coverage that is triggered when a claim is made against the insured during the policy period, providing the claim occurred after the retroactive date.

Current Policy Year:

The policy year begins on the effective date shown on the policy and expires on the expiration date also shown on the policy.

Prior Acts or Retroactive Date:

This date is shown on the policy. This provision eliminates coverage for claims that took place prior to the specified retroactive date, even if the claim is first made during the policy period.

Supplemental Extended Reporting Period (Tail Coverage):

This is a provision found within the claims-made policy that extends the length of the reporting period allowing the insured to report claims that are made against the insured after the policy has expired or been canceled, provided the claim took place during the expired/canceled policy. The ERP/Tail Coverage requires an additional premium and must be requested within the time frame as outlined in the policy.



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Compensation Disclosure

Compensation. In addition to the commissions or fees received by us for assistance with the placement, servicing, claims handling, or renewal of your insurance coverages, other parties, such as excess and surplus lines brokers, wholesale brokers, reinsurance intermediaries, underwriting managers and similar parties, some of which may be owned in whole or in part by Brown & Brown, Inc., may also receive compensation for their role in providing insurance products or services to you pursuant to their separate contracts with insurance or reinsurance carriers. That compensation is derived from your premium payments. Additionally, it is possible that we, or our corporate parents or affiliates, may receive contingent payments or allowances from insurers based on factors which are not client-specific, such as the performance and/or size of an overall book of business produced with an insurer. We generally do not know if such a contingent payment will be made by a particular insurer, or the amount of any such contingent payments, until the underwriting year is closed. That compensation is partially derived from your premium dollars, after being combined (or "pooled") with the premium dollars of other insureds that have purchased similar types of coverage. We may also receive invitations to programs sponsored and paid for by insurance carriers to inform brokers regarding their products and services, including possible participation in company-sponsored events such as trips, seminars, and advisory council meetings, based upon the total volume of business placed with the carrier you select. We may, on occasion, receive loans or credit from insurance companies. Additionally, in the ordinary course of our business, we may receive and retain interest on premiums you pay from the date we receive them until the date of premiums are remitted to the insurance company or intermediary. In the event that we assist with placement and other details of arranging for the financing of your insurance premium, we may also receive a fee from the premium finance company.

If an intermediary is utilized in the placement of coverage, the intermediary may or may not be owned in whole or part by Brown & Brown, Inc. or its subsidiaries. Brown & Brown entities operate independently and are not required to utilize other companies owned by Brown & Brown, Inc., but routinely do so. In addition to providing access to the insurance company, the Wholesale Insurance Broker/Managing General Agent may provide additional services including, but not limited to: underwriting; loss control; risk placement; coverage review; claims coordination with insurance company; and policy issuance. Compensation paid for those services is derived from your premium payment, which may on average be 15% of the premium you pay for coverage and may include additional fees charged by the intermediary.

Questions and Information Requests. Should you have any questions, or require additional information, please contact this office at or, if you prefer, submit your question or request online at <http://www.bbinsurance.com/customerinquiry/>



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