

CITY OF CEDAR RAPIDS ACTIVE ASSAILANT COVERAGE

Currently the City of Cedar Rapids is self-insuring all liability coverage up to \$500,000. Once the \$500,000 retention has been met, all basic and common perils are insured through a \$10 million policy with States Liability Excess Coverage.

Currently, States Liability provides excess Coverage for Part A listed below. If the COCR would purchase the coverage with RT / TN, the coverage for Part A would be triggered after a \$50K retention.

A. Legal Liability Coverage

The **Insurer** will indemnify the **Insured** for **Damages** and **Claim Expenses** which the **Insured** shall become legally obligated to pay as the result of a **Claim** arising solely and directly from an **Active Assailant Incident**; provided that:

1. such **Active Assailant Incident** takes place on or after the Retroactive Date stated in Item of the Declarations and prior to the end of the **Policy Period**;
2. such **Claim** is first made against the **Insured** during the **Policy Period** and
3. such **Claim** is given to the **Insurer** in accordance with Section IV. **CONDITIONS**, Paragraph 10. of the Policy.

All the coverages listed below are not covered today with States. These would be additional coverages included with TN / RT.

B. Physical Damage Coverage

The **Insurer** will indemnify the **Insured** for direct physical loss, damage or destruction to **Insured Property** caused solely and directly by an **Active Assailant Incident** which occurs during the **Policy Period**.

C. Business Interruption Coverage

The **Insurer** will indemnify the **Insured** for **Business Interruption Loss** incurred during the **Period of Indemnity** due to:

1. direct physical loss, damage, or destruction to **Insured Property**;
2. bodily injury and/or death to an **Insured Person**
3. **Denial of Access** to the **Covered Location**; or
4. a **Threat Incident** to a **Covered Location**;

solely and directly resulting from an **Incident** which occurs during the **Policy Period**.

D. Extra Expense Coverage

The **Insurer** will indemnify the **Insured** for the following reasonable and necessary extra costs and expenses incurred by the **Insured** or any **Insured Person** resulting solely and directly from an **Active Assailant Incident** which occurs during the **Policy Period**:

1. Brand Rehabilitation

Public relations expenses incurred by the **Insured** with a public relations firm retained to minimize the potential harm to the **Insured** from an **Active Assailant Incident** by maintaining and restoring public confidence in the **Insured** applicable only to such expenses incurred within ninety (90) days of the **Active Assailant Incident**; provided that such firm and expenses are approved by the **Insurer**.

2. Child Care

Child care costs incurred by an **Insured Person**, applicable only to such costs incurred within fourteen (14) days of the **Active Assailant Incident**.

3. Emergency Travel and Accommodation

Travel and accommodation costs of any **Insured Person** or of a member of an **Insured Person's** immediate family, applicable only to such costs incurred within fourteen (14) days of the **Active Assailant Incident**.

4. Emergency Security Arrangements

Costs to secure the **Covered Location** where the **Active Assailant Incident** took place and the costs of increased security personnel in the aftermath of the **Active Assailant Incident**, applicable only to such costs incurred within thirty (30) days of the **Active Assailant Incident**.

5. Forensic Clean-Up

Forensic clean-up costs for human remains, applicable only to such costs incurred within thirty (30) days of the **Active Assailant Incident**.

6. Funeral Expenses

Burial and/or cremation costs of an **Insured Person** as a result of an **Active Assailant Incident**, applicable only to such costs incurred within thirty (30) days of the **Active Assailant Incident**.

7. Medical Expenses

Medical expenses, other than those set forth in Paragraph 8. below, for any **Insured Person** physically present during the **Active Assailant Incident**, applicable only to such expenses incurred within thirty (30) days of the **Active Assailant Incident**.

8. Psychiatric Care

Psychiatric care and/or counselling costs for any **Insured Person** physically present during the **Active Assailant Incident**, applicable only to such expenses incurred within one hundred eighty (180) days of the **Active Assailant Incident**.

9. Repatriation

Costs of repatriation of the body of an **Insured Person** as a result of an **Active Assailant Incident** in the event of death, applicable only to such costs incurred within thirty (30) days of the **Active Assailant Incident**.

10. Temporary Premises

Costs to lease or rent temporary premises being used in place of real property that is being repaired or replaced due to direct physical loss, damage or destruction, applicable only to such costs incurred within ninety (90) days of the **Active Assailant Incident**. Page 3 of 14

11. Temporary Staff Costs

Recruitment costs to replace employees of the **Insured** physically present during and unable to continue working as a result of an **Active Assailant Incident**, applicable only to such costs incurred within ninety (90) days of the **Active Assailant Incident**.

E. Response Consultant Fees

The **Insurer** will indemnify the **Insured** for **Incident Response Consultant Fees** resulting solely and directly from an **Incident** which occurs during the **Policy Period**.

Key Definitions

Active Assailant means a person or group of persons actively engaged in killing or attempting to kill or cause bodily injury to a person or group of persons.

Active Assailant Incident means:

1. a premeditated malicious physical attack by an Active Assailant at a Covered Location who is present and armed with a Weapon; and
 2. any action of the Relevant Authority taken in suppressing, controlling or minimizing the immediate consequences of such attack;
- which occurs during the Policy Period, causes direct physical loss, damage or destruction to Insured Property and/or bodily injury or death, and

Relevant Authority means a national or local government authority with jurisdiction over the Covered Location affected by the Incident.

Threat Incident means any specific threat to inflict bodily injury to any Insured Person, at the Covered Location, or threat to damage, destroy, or contaminate any property at the Covered Location, which is made during the Policy Period and validated by the Relevant Authority.

Weapon means any:

1. hand-held instrument;
 2. explosive device;
 3. Vehicle; or
 4. corrosive material or corrosive substance.
- used by the Active Assailant to cause direct physical loss, damage or destruction and/or bodily injury or death.

Advantages of the TN / RT Policy

- A. Lower the retention and add limits to Legal Liability Coverage
- B. Add **substantial** additional coverages such as Business Interruption, Physical Damage, Extra Expense, Forensic Cleanup and Consultant Response Costs
- C. Add smaller **soft costs** such as Brand Reputation, Child Care, Funeral Expenses and Psychiatric Care

Disadvantages of the TN / RT Policy

- A. Provides some duplication of coverage with States on Coverage A.
- B. Active Assailant must be pre-meditated (standard).

Based on \$843 million of insurable value we have the following options:

Option 1

Limit: \$5,000,000 each occurrence and in the aggregate @ Premium: **USD \$24,500** plus taxes/fees

Deductible: \$50,000 per occurrence

Sub limits (all part of the above aggregate limit – **not in addition**):

- A. **Legal Liability** – USD 5m per insured event and in the aggregate
- B. **Physical Damage** – USD 5m per insured event and in the aggregate
- C. **Business Interruption** – USD 5m per insured event and in the aggregate
- D. **Extra Expense** – USD 5m per insured event and in the aggregate

Separate aggregate **in addition** to the above

- E. Response Company fees – **USD 500k** per insured event and in the aggregate

Option 2

Limit: \$10,000,000 each occurrence and in the aggregate @ Premium: **\$39,500** plus taxes/fees

Deductible: \$50,000 per occurrence

Sub limits (all part of the above aggregate limit – **not in addition**):

- A. **Legal Liability** – USD 10m per insured event and in the aggregate
- B. **Physical Damage** – USD 10m per insured event and in the aggregate
- C. **Business Interruption** – USD 10m per insured event and in the aggregate
- D. **Extra Expense** – USD 5m per insured event and in the aggregate

Separate aggregate **in addition** to the above

- F. Response Company fees – **USD 1m** per insured event and in the aggregate