



STRENGTH
MATTERS[®]

**Financial
Management
Conference**

Insurance Applications, Renewals & Reviews – a C Suite View

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Continuing Professional Education (CPEs) Requirements for CPAs

- Please be sure you **SIGN IN at the beginning and SIGN OUT at the end of every session.** We use the sign-in sheets to verify your participation for CPE credits.
- Please **submit all conference evaluations.** Evaluation links are emailed to registrants daily. Please see the session host (the person monitoring the sign-in sheets) if you prefer a paper evaluation.
- For more information on CPE credits, contact Lindsay Wells at consult.lwells@gmail.com.

Hot Topics for the AH Industry

1. Insurance To Value (ITV)
2. Builders Risk
3. Owners Liability
4. Umbrella (Excess Liability)
5. Cyber

Best Practices – Renewal Timeline

- **120 Days** – Market Update/Exposure Update
- **90 Days** – Renewal Expectations/Renewal Strategy
- **60 Days** – Marketing Update
- **30 Days** – Presentation of Options
- **30 Days until Renewal** – Binding of coverage, certificates of insurance, allocation methodology, etc

Cyber Insurance

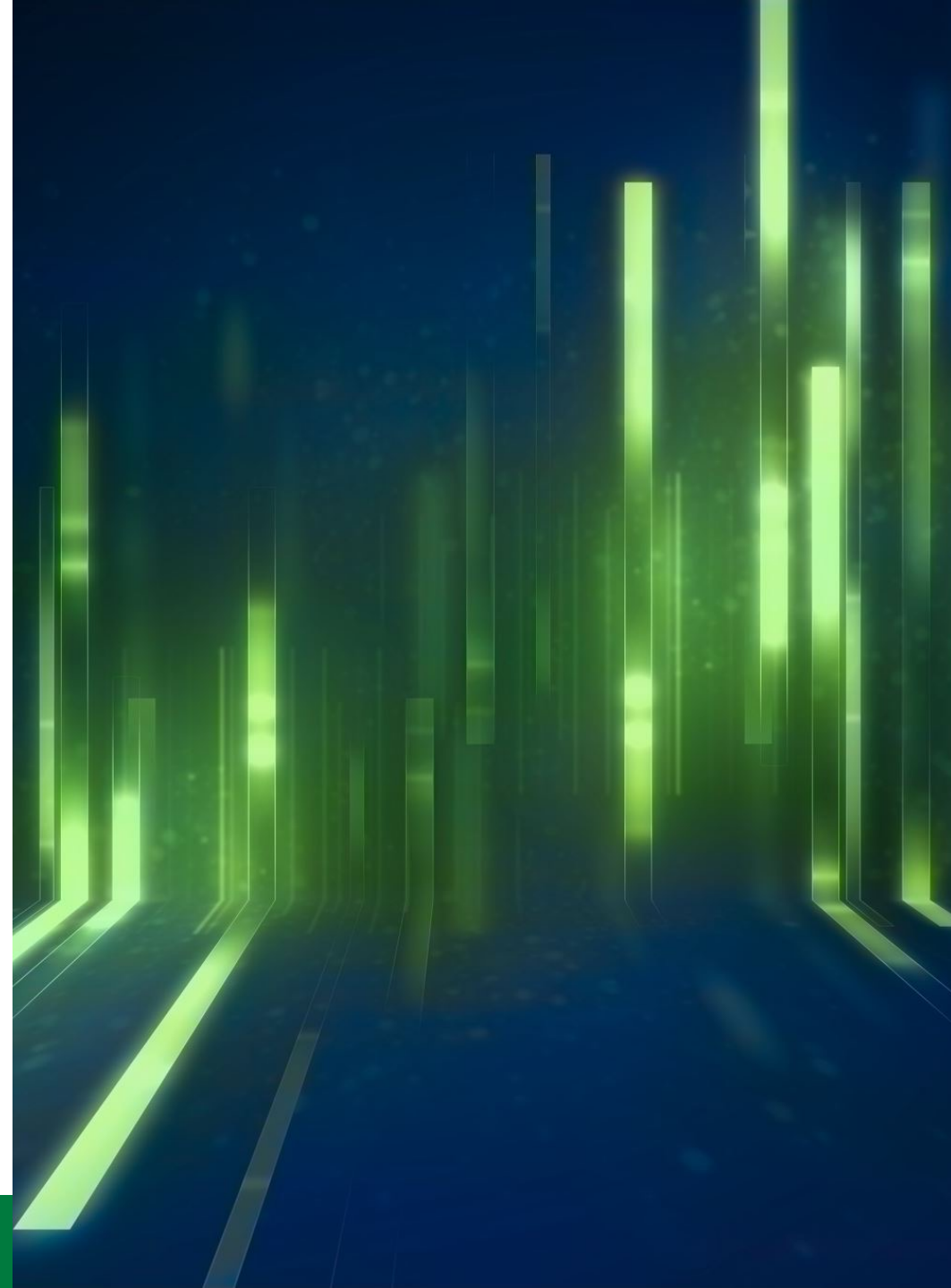
Cyber Insurance Landscape

Cyber attacks continue to rise

Insuring against this treat is becoming more expensive while coverage levels decline

Organizations of all types are a target

The remote and/or Hybrid work environment has only increased risk of a cyber attack





INCREASED CYBER INSURANCE
PREMIUMS



INCREASED BASELINE
REQUIREMENTS BY INSURANCE
COMPANIES



LIMITED COVERAGE

Evolving standards for coverage

It's important for executives to know the requirements of their cyber liability insurance policies as insurance companies are recommending strong control programs around information security. This means:



Having tools and resources implemented



Processes to respond to security breaches



Communication in place to notify the appropriate parties

What can I do?

Manage your cyber security risk by assessing your current procedures around the following:

- User authentication
- Network access
- Testing and awareness training
- Vulnerability scanning
- Incident planning

Insurance Claims

Understanding your Policies

BEFORE you have a claim it's important to understand the following:

- Property/casualty deductible
- Fraud and theft policy
- Flood provisions
- Direct contact for claim information

COMMUNICATION IS KEY!

Recording an involuntary conversion – such as a natural disaster – requires communication to the finance team from start to finish

- When the incident occurs
- Immediate remediation costs
- Claim deductibles and estimates
- Progress of completion of work
- Payment of expenses and receipt of insurance proceeds

What & Why Details for C-Suite

- CEO & CFO are on the front line if there are problems
- CEO & CFO will be the ones talking to Board
- Annual Review (high level)
- Cheat Sheet for Senior Leaders

2022 Renewal Proposal

Premium Summary		
Coverage	Expiring Premium (Prior Year Annual Rate)	Renewal Premium
Property	\$XXX	\$XXX
General Liability	\$XXX	\$XXX
Umbrella	\$XXX	\$XXX
Crime	\$XXX	\$XXX
Fiduciary Liability	\$XXX	\$XXX
Executive Protection	\$XXX	\$XXX
Cyber	\$XXX	\$XXX
Total	\$XXX	\$XXX

Package Policies

Company						
	Expiring			Renewal		
Coverage	Rating Basis	Exposure	Premium	Rating Basis	Exposure	Premium
Property	Business Personal Property	Amount to be Covered	\$XXX	Business Personal Property	Amount to be Covered	\$XXX
General Liability	Payroll	Annual Payroll Amount	\$XXX	Payroll	Annual Payroll Amount	\$XXX
Umbrella	Limit	\$XXX	\$XXX	Limit	\$3,000,000	\$XXX
Total	\$XXX			\$XXX		

*Policy includes Stop Gap Coverage and Hired/ Non-owned Auto Liability

*Business Personal Property Limit includes:

- *Business location*
- *Business location*

Crime

Company						
	Expiring		Renewal Option 1		Renewal Option 2	
Coverage	Limit	Deductible	Limit	Deductible	Limit	Deductible
Employee Dishonesty	\$4,000,000	\$25,000	\$4,000,000	\$25,000	\$4,000,000	\$50,000
Forgery or Alteration	\$4,000,000	\$25,000	\$4,000,000	\$25,000	\$4,000,000	\$50,000
Inside the Premises	\$4,000,000	\$25,000	\$4,000,000	\$25,000	\$4,000,000	\$50,000
Outside the Premises	\$4,000,000	\$25,000	\$4,000,000	\$25,000	\$4,000,000	\$50,000
Computer Fraud	\$4,000,000	\$25,000	\$4,000,000	\$25,000	\$4,000,000	\$50,000
Money Orders and Counterfeit Paper Currency	\$4,000,000	\$25,000	\$4,000,000	\$25,000	\$4,000,000	\$50,000
Funds Transfer Fraud	\$4,000,000	\$25,000	\$4,000,000	\$25,000	\$4,000,000	\$50,000
Fraudulently Induced Transfers	\$500,000	\$100,000	\$500,000	\$100,000	\$500,000	\$100,000
ERISA Dishonesty Coverage	\$4,000,000	\$0	\$4,000,000	\$0	\$4,000,000	\$0
Premium	\$XXX		\$XXX		\$XXX	

Fiduciary Liability

Company						
	Expiring			Renewal		
Coverage	Limit	Retention	Retroactive Date	Limit	Retention	Retroactive Date
Fiduciary Liability	\$2,000,000	\$100,000	X/X/XXXX	\$2,000,000	\$100,000	X/X/XXXX
Premium	\$XXX			\$XXX		

Executive Protection

Company						
	Expiring			Renewal		
Coverage	Limit	Retention	Prior and Pending Date	Limit	Retention	Prior and Pending Date
Directors and Officers Liability	\$2,000,000	\$150,000	X/X/XXXX	\$2,000,000	\$150,000	X/X/XXXX
Employment Practices Liability (including 3rd party)	Included	\$150,000	X/X/XXXX	Included	\$150,000	X/X/XXXX
Professional Liability (E&O)	Included	\$150,000	X/X/XXXX	Included	\$150,000	X/X/XXXX
Aggregate Policy Limit	\$2,000,000			\$2,000,000		
Premium	\$XXX			\$XXX		

Executive Protection Policy Includes Real Estate Risks Endorsement:

- *Broadens definition of Professional Services
- *Amends Investment Fund to include any pooled investment vehicle that exists prior to binding
- *Adds third party EPL inclusive of discrimination of sexual harassment by clients, customers, "or any other individual or group of individuals"

Cyber Liability

	Company 1		Company 2	
	Expiring		Renewal Option	
Coverage	Sub-Limit	Retention or Waiting Period	Sub-Limit	Retention or Waiting Period/
Third Party Insuring Agreements				
Network Security and Privacy Liability	\$3,000,000	\$5,000	\$3,000,000	\$50,000
Regulatory Liability	\$3,000,000	\$5,000	\$3,000,000	\$50,000
Media Liability	\$3,000,000	\$5,000	\$3,000,000	\$50,000
PCI DSS Liability	\$3,000,000	\$5,000	\$3,000,000	\$50,000
Event Response and Management	\$3,000,000	\$5,000	\$3,000,000	\$50,000
First Party Insuring Agreements				
Business Interruption	\$3,000,000	8 Hours / 180 days	\$3,000,000	10 Hours / 210 days
Contingent Business Interruption	\$3,000,000	8 Hours / 180 days	\$3,000,000	10 Hours / 210 days
System Failure Coverage	\$3,000,000	8 Hours / 180 days	\$3,000,000	10 Hours / 210 days
Reputational Loss Coverage	\$3,000,000	8 Hours / 180 days	\$3,000,000	8 Hours / 180 days
Cyber Extortion and Ransomware Coverage	\$3,000,000	\$5,000	\$3,000,000	\$50,000
Breach Response and Remediation Expenses	\$3,000,000	\$5,000	\$3,000,000	\$50,000
Social Engineering and Computer Fraud	\$3,000,000	\$5,000	\$250,000	\$50,000
Maximum Policy Aggregate Limit	\$3,000,000		\$3,000,000	
Premium	\$XXX		\$XXX	

Questions

Evaluation Reminder

- Please submit all conference evaluations. Use the electronic evaluation link in your email.
- Contact consult.lwells@gmail.com if you do not receive the link.

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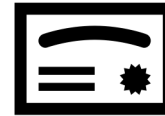
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