



Spain Agency, Inc. has partnered with the New York Municipal Insurance Reciprocal (NYMIR) in providing insurance for municipalities in Westchester, Putnam and Dutchess Counties.



## Why NYMIR Makes Sense

- NYMIR is a not-for-profit program dedicated to servicing the insurance needs of governmental agencies throughout the state of New York. NYMIR is the only program that exists solely for New York municipalities.
- NYMIR partners with the three municipal associations: Conference of Mayors, Association of Towns, and Association of Counties to seek out and gather information in order to provide a tailored insurance package that focuses on the specific needs of public entities.
- The Board of Governors is comprised of municipal officials elected by our members to guarantee predictable rates and avoid extreme spikes in premium in any market cycle. The Board's involvement has assisted in the steady enhancement of services and coverages.
- NYMIR's lead reinsurance support for the program is provided by a top-rated (A+++ ) company in the industry. Refer to NYMIR's Annual Report for details.
- Fraudulent and frivolous claims are actively defended. Defense costs do not erode your policy limits and the deductible is not charged for defense fees.
- NYMIR expediently handles legitimate claims through specialized in-house claims staff located in New York State.
- Quarterly Newsletters mailed to your municipality focus on up-to-date issues and mandates that directly effect public entities.
- Coverages are currently equal to the best available and promise to be upgraded as exposures and needs change.
- NYMIR chose to be an assessable company unlike traditional insurance companies that are required to be part of the NYS Guarantee Fund, which limits claims settled to only one million dollars.



## Claim Philosophy

### Preparation

Long before a liability suit against a municipality reaches the courthouse, a large portion of the real work has already been done. NYMIR has a well-established reputation of fighting frivolous lawsuits. Standing behind the defense of each claim is NYMIR's highly effective risk management program and claims team. This includes legal counsel specializing in municipality litigation, and extensive preparation and coordination with municipal officials.



NYMIR assigns law firms to individual municipalities with a long-term emphasis on the development of attorney-municipal relationships that pay off. This relationship is enhanced by providing an in-depth understanding of municipal policies and practices, improved communication, and a real commitment to the municipal staff and community enhances this relationship.

### Setting the Benchmarks

NYMIR has demonstrated its ability to stand up for municipalities' rights. A commitment to active litigation of claims has enabled our attorneys to pursue and win landmark cases, establishing precedents not only for New York Municipalities, but for other entities that serve the public as well. Not all cases need to proceed through lengthy and costly trials. Our consistent successful motions to dismiss are cited by lawyers throughout the state when faced with similar claims. We are proud to share the fruits of our success.

Some ridiculed the concept of spending funds to take a case to court when a settlement might be initially less costly. NYMIR members knew that they wanted to do what was right. If a municipality has met its obligations to ensure health and safety, then signaling a willingness to settle would only set an unsatisfactory precedent, increasing the vulnerability in future litigation. Over time the critics have been silenced. The combination of attention to municipal safety with active defense against frivolous suits has provided consistent long-term savings. NYMIR has become the benchmark by which other insurers are judged.

## NYMIR Risk Management Program

The NYMIR Risk Management Program is designed specifically for municipalities, created to address the loss exposures unique to local governments.

This benefit assists in minimizing the frequency and severity of losses. We are pleased to offer you these valuable risk control services and resources as a part of this insurance proposal.



- **Facility Inspections:** An on-site risk assessment of the municipality's facilities, operations and activities is done regularly for each subscriber. A report listing practical suggestions for improving safety and loss control is then generated by your assigned loss control specialist.
- **Law Enforcement Liability Assessment:** Municipalities with law enforcement agencies receive regular evaluation of their law enforcement policies, procedures and facilities.
- **Special Inspections:** Additional visits to evaluate specific areas (e.g. sidewalks, equipment, and parks) are scheduled as requested by subscribers.
- **Certificate of Insurance/Contract/Bid Specifications Review:** NYMIR Risk Management helps subscribers reduce the costs of claims by assisting subscribers and brokers to transfer risk through the use of insurance certificates and indemnification language. These transfers typically involve users of facilities, contractors and transportation companies.
- **Local Training:** NYMIR Risk Management Consultants conduct customized training at subscribers' locations. Popular sessions include custodial safety training, employment practices liability, recreation liability, and the National Safety Council's Defensive Driving Program.
- **Attendance at Subscriber Safety Committees:** NYMIR Risk Management Consultant will attend safety committees throughout New York State, providing technical assistance and resource material.
- **Risk Management Consulting Services:** Subscribers have unlimited access to NYMIR Risk Management Consultants to answer questions or conduct research concerning physical hazards, municipal activities, procedures, transportation, etc.

## **NYMIR Regional Seminars:**

NYMIR sponsors regional seminars throughout New York State to address current trends and legal issues that create potential loss exposures for local governments. Topics include:

- Employment Practices Liability
- Parks & Recreational Liability
- Playground Equipment Inspection & Maintenance
- Motor Vehicle Accident Prevention
- Law Enforcement Liability
- Risk Transfer
- Safety During Snow & Ice Removal
- Workplace Violence Prevention Training
- Snowmobile/ATV Use Liability
- Compliance Management



## **NYMIR Land Use Program:**

A home study course updated in 2007 designed for Zoning Board members written by the Land Use Center at Pace University Law School is available (free of charge) for NYMIR subscribers. This course coincides with and can be used to comply with the new 4-hour per year training requirement for local planning and zoning boards.

## **Risk Management Manual:**

As a policyholder, you will receive a CD of NYMIR risk management bulletins created and distributed over the years in a single document for ease of reference which can be downloaded to your computer. Updates to the manual are issued quarterly and can be found on the NYMIR website.

## **Other Risk Management Publications:**

The NYMIR Risk Management Department periodically produces CD ROMs covering various safety-related topics. For example, Employment Related Practices and Recreation Liability.

## **Prior Written Notice Law Review:**

To ensure that town, city and county subscribers are receiving optimum protection; NYMIR risk management representatives will review subscribers' prior written notice laws and provide recommendations for improvement, if needed.

## **Law Enforcement Advisory Committee:**

Members of this committee have many years of law enforcement leadership experience. They will provide input to identify topics for law enforcement seminars and provide guidance in developing strategies to assist Law Enforcement professionals in reducing exposures.

## Quotation and Coverage Features

### **NYMIR Website** – [nymir.org](http://nymir.org):

Subscribers receive a password to allow access to various safety topics. Members can obtain sample forms and documents used to reduce or transfer risk.

### **NYMIR's Online University:**

Online courses providing certificates of completion for topics including: Land Use & Zoning, Law Enforcement Liability, Park & Recreation Liability, Employment Practices Liability and more. Members can train at their convenience at their pace.



### **Capitalization:**

To comply with New York State Insurance Department requirements each new subscriber must complete the subscriber's agreement and contribute a proportional share as a company owner of surplus (capitalization) to the Reciprocal. In November of 2008 the NYMIR Board of Governors initiated a program by which NYMIR would begin to return 75% of the initial contribution all members made to the reciprocal. Since NYMIR is a not-for-profit reciprocal, members must make this contribution and in return enjoy the many benefits of self-ownership, including a proportionate share of equity in the company

### **Appraisal Program:**

This is a value-added service that will benefit your municipality. A professional appraisal company will conduct an independent appraisal of your buildings scheduled on the statement of values at \$100,000 and greater at no cost to you. This will allow property coverage to be written with an Agreed Amount valuation.

### **Financial Rating:**

NYMIR has maintained an A.M. Best rating of (A-) Excellent since 1998.

### **General Liability:**

- Aggregate per location – NYMIR does not restrict its coverage limits to one aggregate (the most an insurance policy will pay in a year).
- Failure to supply – Municipalities that operate water and sewer facilities face additional exposure for accidental events resulting in the municipality's failure to supply these services. NYMIR provides coverage for this liability if the failure to supply results from sudden and accidental injury to tangible property used to supply this service.
- Acts of Terrorism – Automatic coverage for terrorism to full policy limits.
- Municipal Sponsored Recreation Programs - NYMIR supplies coverage for claims that may arise from the exposures during supervised recreational and athletic activities.

- Sudden & Accidental Pollution Liability - A third-party (liability) coverage is provided. The Sudden & Accidental Pollution Liability Endorsement protects the municipality against suits for bodily injury or property damage arising out of pollutants that have been released due to a sudden and accidental event that is otherwise covered and released from your premises. Examples are pesticides and above ground storage tanks. This coverage does not offer protection for clean-up costs associated with spills or leaks that do not emanate from your premises or from underground storage tanks.
- Allegations of Sexual Abuse & Molestation – Full Policy limits are provided for protection against lawsuits of sexual abuse and molestation. This coverage applies to the named insured for allegations of negligent supervision, hiring and retention.

### Public Official's Liability

This errors and omissions liability policy provides several significant extensions of coverage that are unique to municipalities.

The Policy Deductible only applies when an indemnity payment is made. Many competitors' public officials' forms levy the deductible for both defense and indemnity. With approximately 80% of all claims involving only defense costs, this could result in a significant savings in the event of a covered loss.



- Consent To Settle Coverage requires approval from the municipality before a claim can be settled. You will be informed on how a case is developing and will have the right to review a proposed settlement before it is finalized. Possible Financial risks will be discussed.
- Full Prior Acts- provides coverage for unknown incidents/claims that took place at any time prior to the inception date of your NYMIR policy.
- Defense Costs are Payable in Addition to Limits-expenses that NYMIR incurs to defend you will not reduce your policy limits. Your full limits will be available to settle possible indemnity payments.
- Employment Practices Liability is an area of litigation that has exploded over the last five years and an exposure that is expected to continue to increase. NYMIR's coverage provides protection against allegations of harassment and discrimination, hostile workplace claims, failure to promote, wrongful dismissal (breach of employment contract) among others.
- Extended Employment Practices Coverage (Optional) - protection for back wages, mental anguish and emotional distress. \$25,000 defense expense is also offered for non-monetary claims. This coverage can assist with defense of claims filed with the Equal Employment Opportunity Commission.
- Allegations of Civil Rights and/or Discrimination during the process of tax assessment, issuing licenses and permits, and zoning.
- Land Use - Zoning and land use claims are an active area of litigation for municipalities. Many competitors do not address this issue. NYMIR has a definitive land use endorsement.

## Law Enforcement Liability

Consent to settle coverage is provided to protect police professionals against the volatile exposures they face daily. Full policy limits are available. To name a few:

- Allegations of false arrest, excessive force, malicious prosecution and unlawful search and seizure
- Violations of civil rights
- Claims of abuse and molestation
- Building related illnesses
- Facility related communicable diseases



## Property

- Earthquake & Excess Flood: This coverage, which is automatically provided, is intended to protect municipal buildings and contents from these potentially catastrophic causes of loss. Flood Zones A & V are covered in excess of the National Flood Insurance Plan. NYMIR will provide flood certification for each of your locations as they become available.
- Valuation of Building and Contents: NYMIR automatically provides valuation at agreed amount with a blanket limit providing enhanced coverage over actual cash value per location.

## Equipment Breakdown:

NYMIR provides coverage for boilers and building machinery/equipment breakdown at all locations. This includes coverage for mechanical malfunction for water and sewer pumps. Coverage includes:

- Loss of income/Extra Expense
- Service interruption
- Expediting expense
- Hazardous substance
- Ordinance or law
- Spoilage
- Newly acquired locations
- Error in description
- Demolition
- Data restoration
- Computers

## Automobile

- Automatic \$3,000 Additional Equipment coverage for equipment installed on municipal vehicles.
- Deductible reimbursement up to \$1,000 for physical damage to a Director or Officer's personally owned vehicle while using in the course of exercising municipal duties and responsibilities.

### Inland Marine

- Rental Expense Reimbursement up to \$500 per day for rental of substitute equipment when a covered cause of loss occurs to covered property.
- \$100,000 available to cover your legal or contractual liability for loss or damage to equipment that you lease, rent or borrow from others.
- Replacement cost is applicable to vehicles 10 years old or newer if scheduled for auto physical damage on the inland marine.
- Expenses exceeding the agreed value of a vehicle or equipment by 75% will be considered a total loss (replacement cost valuation for vehicles 10 years or newer).
- \$1,000,000 coverage for all individually scheduled equipment for damage caused by earthquake or flood.



### \*DISCLAIMER:

THE TERMS OF THE POLICY FORMS WILL CONTROL THE INSURANCE CONTRACT WITHOUT REGARD TO ANY STATEMENT MADE IN THIS DOCUMENT.