



## Administration

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### MEMO

TO: County Commission  
FROM: Robert W. Wilson  
Date: April 27, 2023  
Subject: Builder's Risk Insurance Policies

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On the consent agenda for Monday May 1, 2023 are Builder's Risk Insurance policies for the Highway Administration Addition/Remodel and the Jail Housing Addition projects. Marsh McLennan Agency submitted requests for quotes for each project on our behalf – and received several responses. Below are the most competitive quotes – and the recommended policies. Copies of the policies are attached.

- Jail Housing Addition Project  
Hanover Insurance Company  
Premium: \$49,574
- Highway Addition/Remodel Project  
Hanover Insurance Company  
Premium: \$8,574

**Motion: Authorize Chair to sign Builders Risk Insurance Policies with Hanover Insurance in the amount of \$49,574 for the Jail Housing Addition Project and \$8,574 for the Highway Addition/Remodel Project**

**Inland Marine Package Insurance Proposal  
Hanover Insurance Company - Marine Division**

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Prepared For: CASS COUNTY, ND  
PO BOX 2806  
FARGO, ND 58108

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Producer Name: Brandon Hickcox  
MARSH & MCLENNAN AGY LLC  
DAWSON INS, AN MMA LLC CO  
505 BROADWAY N STE 100  
FARGO, ND 58102

Phone: (701) 478-6786

Email Address: Brandon.Hickcox@MarshMMA.com

*This proposal shows the premiums for the general coverages described, but in no way changes or affects any terms, conditions or exclusions of policies as actually issued. Premiums shown are based on information furnished to the company.*

Proposal Date: 04/13/2023  
Effective Dates: 05/01/2023 - 05/01/2025

**Quote Number 1579611**

<b>BUILDERS' RISK COVERAGE</b>
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**Coverage Form:** IM441 1352 - Builders' Risk Coverage is "all risk" subject to policy form terms, conditions, and exclusions.

**Project Description:**

A 2 STORY NON-COMBUSTIBLE BUILDING(S) UNDER CONSTRUCTION AT 450 34TH STREET SOUTH,, FARGO, ND, 58103 TO BE OCCUPIED AS A COMMERCIAL STRUCTURE.

**Project Limits:**

Limit for any one Building or Structure	\$33,000,000
Limit for all Buildings or Structures at Any One Job Site	\$33,000,000
Covered Property in Transit	\$1,000,000
Covered Property in Temporary Storage or Off-Site Fabrication	\$1,000,000
Trees, plants, lawns, and shrubs	\$50,000

**Optional Coverages:**

**Delay In Completion Coverage**

Soft Costs	\$2,000,000
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**Equipment Breakdown and Testing Coverage**

Property Damage Limits	\$33,000,000
Delay in Completion Coverage Limits	\$2,000,000
Equipment Breakdown and Testing Pollutants	\$50,000

**Flood Coverage**

Maximum Per Occurrence Limit	\$2,500,000
Maximum Annual Aggregate Limit	\$2,500,000
Deductible	\$50,000

**Earth Movement Coverage**

Maximum Per Occurrence Limit	\$34,000,000
Maximum Annual Aggregate Limit	\$34,000,000
Deductible	\$25,000

**Endorsement(s):**

**Deductible(s):**

Per Occurrence Deductible	\$10,000
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**Valuation:**

Replacement Cost per the coverage form

**Coinsurance:**

Is not applicable and does not apply. However, we anticipate that the applicable limit of insurance will reflect the completed value.

**Additional Coverage(s):**

Business Personal Property	\$10,000
Loss Adjustment Expense	\$5,000
Construction Trailers and Contents at Job Site	\$50,000
Contract Penalty Coverage	\$50,000
Debris Removal – Additional Limits	\$75,000
Emergency Removal to Preserve Covered Property	\$10,000
Expediting Expense	\$100,000
Expenses to Re-erect Undamaged Scaffolding, Fences, and Signs	Covered
Police and Fire Department Service Charge	\$50,000
Fire Suppression Equipment Recharging	\$50,000
Fungus, wet Rot, Dry Rot and Bacteria	\$100,000
Insufficiency of Limit	10% of Limit of Insurance / \$1,000,000 maximum
Key Coverage	\$2,500
Ordinance or Law Coverage:	
Undamaged portions of the Building or Structure	Included in Building or Structure Limit
Demolition Costs and Increased Cost of Construction	\$1,000,000
Pollutant Clean Up and Removal	\$50,000
Reward Payment	\$10,000
Sewer and Drain Back Up	\$100,000
Valuable Papers and Records	\$50,000

**Permission to Occupy**

**Granted**

**Premium**

**Builders Risk Premium**

\$49,574

**Inland Marine Package Insurance Proposal**  
**Hanover Insurance Company - Marine Division**

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Prepared For: CASS COUNTY, ND  
PO BOX 2806  
FARGO, ND 58108

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Producer Name: Brandon Hickcox  
MARSH & MCLENNAN AGY LLC  
DAWSON INS, AN MMA LLC CO  
505 BROADWAY N STE 100  
FARGO, ND 58102

Phone: (701) 478-6786

Email Address: Brandon.Hickcox@MarshMMA.com

*This proposal shows the premiums for the general coverages described, but in no way changes or affects any terms, conditions or exclusions of policies as actually issued. Premiums shown are based on information furnished to the company.*

Proposal Date: 03/29/2023  
Effective Dates: 04/01/2023 - 04/01/2024

**Quote Number 1566691**

## BUILDERS' RISK COVERAGE

**Coverage Form:** IM441 1352 - Builders' Risk Coverage is "all risk" subject to policy form terms, conditions, and exclusions.

**Coverage Form:** IM441 1353 Renovation or Rehabilitation Coverage is "all risk" subject to policy form terms, conditions, and exclusions.

**Project Description:**

LATERAL ADDITION TO THE EXISTING BUILDING AND NON-STRUCTURAL RENOVATION WORK TO THE EXISTING BUILDING . JOISTED MASONRY CONSTRUCTION LOCATED AT 1201 MAIN AVE W, WEST FARGO, ND, 58078 TO BE OCCUPIED AS A MUNICIPAL STRUCTURE.

**Project Limits:**

Pre-Existing Structure Not Covered	
Limit for New Construction	\$3,000,000
Limit for all Buildings or Structures at Any One Job Site	\$3,000,000
Covered Property in Transit	\$250,000
Covered Property in Temporary Storage or Off-Site Fabrication	\$250,000
Trees, plants, lawns, and shrubs	\$25,000

**Optional Coverages:**

**Delay In Completion Coverage**

Soft Costs	\$150,000
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**Equipment Breakdown and Testing Coverage**

Property Damage Limits	\$3,000,000
Delay in Completion Coverage Limits	\$150,000
Equipment Breakdown and Testing Pollutants	\$50,000

**Flood Coverage**

Maximum Per Occurrence Limit	\$1,000,000
Maximum Annual Aggregate Limit	\$1,000,000
Deductible	\$50,000

**Earth Movement Coverage**

Maximum Per Occurrence Limit	\$3,000,000
Maximum Annual Aggregate Limit	\$3,000,000
Deductible	\$25,000

**Endorsement(s):**

<b>Water Damage Special Deductible</b>	\$50,000
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**Windstorm Or Hail Deductible**

1201 Main Ave W West Fargo, ND 58078	\$25,000
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**Deductible(s):**

Per Occurrence Deductible \$5,000

**Valuation:**

Replacement Cost per the coverage form

**Coinsurance:**

Is not applicable and does not apply. However, we anticipate that the applicable limit of insurance will reflect the completed value.

**Additional Coverage(s):**

Business Personal Property	\$10,000
Loss Adjustment Expense	\$5,000
Construction Trailers and Contents at Job Site	\$50,000
Contract Penalty Coverage	\$25,000
Debris Removal – Additional Limits	\$50,000
Emergency Removal to Preserve Covered Property	\$10,000
Expediting Expense	\$100,000
Expenses to Re-erect Undamaged Scaffolding, Fences, and Signs	Covered
Police and Fire Department Service Charge	\$50,000
Fire Suppression Equipment Recharging	\$50,000
Fungus, wet Rot, Dry Rot and Bacteria	\$100,000
Insufficiency of Limit	10% of Limit of Insurance / \$1,000,000 maximum
Key Coverage	\$2,500
Ordinance or Law Coverage:	
Undamaged portions of the Building or Structure	Included in Building or Structure Limit
Demolition Costs and Increased Cost of Construction	\$1,000,000
Pollutant Clean Up and Removal	\$25,000
Reward Payment	\$10,000
Sewer and Drain Back Up	\$50,000
Valuable Papers and Records	\$50,000

**Permission to Occupy**

**Not Granted**

**Premium**

**Builders Risk Premium**

**\$8,574**

THIS NOTICE IS PROVIDED IN RESPONSE TO THE DISCLOSURE REQUIREMENTS OF THE TERRORISM RISK INSURANCE ACT. THIS NOTICE DOES NOT GRANT COVERAGE OR CHANGE THE TERMS AND CONDITIONS OF COVERAGE UNDER THE POLICY. IF THERE IS A CONFLICT BETWEEN THIS NOTICE AND THE POLICY, THE PROVISIONS OF THE POLICY SHALL APPLY.

## DISCLOSURE PURSUANT TO TERRORISM RISK INSURANCE ACT

### Schedule

<b>Disclosure of Premium:</b>	
Total Terrorism Premium	<b>\$ 86.00</b>
Fire Following Premium	<b>\$ Not Applicable</b>
Other than Fire Following Premium	<b>\$ 86.00</b>

### Disclosure of Terrorism Coverage Available

You are hereby notified that under the Terrorism Risk Insurance Act, as amended, you have a right to purchase insurance coverage for losses resulting from “acts of terrorism” defined in Section 102(1) of the Act as follows:

Any act or acts that are certified by the Secretary of the Treasury, in consultation with the Secretary of Homeland Security and the Attorney General of the United States, to be an act of terrorism; to be a violent act or an act that is dangerous to human life, property, or infrastructure; to have resulted in damage within the United States, or outside the United States in the case of certain air carriers or vessels or the premises of a United States mission; and to have been committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States government by coercion.

The premium charged for this coverage is provided in the Schedule above and does not include any charges for the portion of loss that may be covered by the Federal Government as described below.

Your policy may contain other exclusions which could affect your coverage, such as an exclusion for Nuclear Events or Pollution. **Please read your policy carefully.**

### **Note for Commercial Property or Commercial Inland Marine Policyholders in Standard Fire States:**

In your state, a terrorism exclusion makes an exception for (and therefore provides coverage for) fire losses resulting from an act of terrorism. If you reject the offer of terrorism coverage, therefore, that rejection does not apply to fire losses resulting from an act of terrorism. Coverage for such fire losses will be provided in your policy. The additional premium just for such fire coverage is shown in the Schedule above.

### Disclosure of Federal Participation in Payment of Terrorism Losses

The United States government through the Department of the Treasury may pay a share of terrorism losses insured under the federal program under a formula set forth in the Act. Under this formula, the United States government generally reimburses the following percentage of covered terrorism loss which exceeds the statutorily established deductible paid by the insurance company providing the coverage: 85% through 2015; 84% beginning on January 1, 2016; 83% beginning on January 1, 2017; 82% beginning on January 1, 2018; 81% beginning on January 1, 2019; and 80% beginning on January 1, 2020.



**Cap on Insurer Participation in Payment of Terrorism Losses**

The Act contains a \$100 billion cap that limits the reimbursement by the United States government as well as insurers' liability for losses resulting from certified acts of terrorism. If the aggregate of insured losses attributable to terrorist acts certified under the Terrorism Risk Insurance Act exceed \$100 billion in a calendar year and we have met our insurer deductible under the Act, we will not be liable for the payment of any portion of the amount of such losses that exceeds \$100 billion. In such case, insured losses up to that amount are subject to pro rata allocation in accordance with procedures established by the Secretary of the Treasury.

**Rejection of Terrorism Insurance Coverage**

- I decline to purchase terrorism coverage for certified acts of terrorism. I understand that I will have no coverage for losses resulting from certified acts of terrorism.

\_\_\_\_\_  
Applicant/Policyholder Signature

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Date

Hanover Insurance  
\_\_\_\_\_

**Insurance Company**

CASS COUNTY, ND  
\_\_\_\_\_

**Quote or Policy Number**

**Inland Marine Package Insurance Proposal  
Hanover Insurance Company - Marine Division**

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Prepared For: CASS COUNTY, ND  
PO BOX 2806  
FARGO, ND 58108

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<b>Water Damage Special Deductible</b>	\$50,000
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1201 Main Ave W West Fargo, ND 58078	\$25,000
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\_\_\_\_\_  
Applicant/Policyholder Signature

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Date

Hanover Insurance  
\_\_\_\_\_

**Insurance Company**

CASS COUNTY, ND  
\_\_\_\_\_

**Quote or Policy Number**