

# T. C. MOFFATT & CO.

*Professional Insurance Advisors*

511 MILLBURN AVENUE  
SHORT HILLS, N. J. 07078

(201) 379-1600

(201) 623-0611

November 18, 1970

Board of Education of Nutley  
149 Chestnut Street  
Nutley, New Jersey

Attn: Mr. Everett Zabriskie, Secretary

Dear Mr. Zabriskie:

In connection with the Special Multi-Peril Policy for the 1970-1973 term which I delivered on November 11, 1970, please be advised that the premium is in excess of the budget figure for a variety of reasons.

First of all, it became necessary for us to go into the market place to find a company willing to accept 50% of the property insurance provided by Section 1 of the policy. This was because the Globe, who had previously provided 100% of the coverage, ran into serious re-insurance problems.

Six out of ten companies approached were not willing to participate at any price. Three were interested at straight average published rates, and one was interested at surcharged rates, i.e., 10-25% over tariff with \$5,000. deductible.

Whereas previously some companies were willing to write school property coverage and apply Public Institutional Property discounts to the rates, this is no longer the case even though the rule in the manual is still available for use. This has had the greatest impact on the premium.

Other factors affecting the premium on this occasion are a 3.5% Civil Disorder Loading in the property rates and elimination of the old term discount of 5%.

As I indicated, we will submit a so-called "Consent to Rate" form for signature for filing with the rating office primarily to comply with Chapter 214 Laws of 1962 indicating that the board is aware of the fact that the P.I.P. discounts have not been applied to the rates.



November 18, 1970

Regarding some of the other items we discussed when we reviewed the policy:

Watercraft Section II Endorsement

This is being corrected to indicate that you have two Boston Whalers.

Personal Injury Liability Endorsement

Regarding Group Offense "C", we have been unable to learn of any claims under this involving Boards of Education. Possibly this may be construed as covering ejection from a meeting, etc. In any event, the coverage is optional and may be removed if not considered desirable. Annual premium involved is \$169.

Riot, Civil Commotion and Mob Action Exclusion

The Newark Insurance Company is willing to remove this exclusion up to a limit of \$100,000 Bodily Injury and \$100,000 Property Damage for a premium of \$400. annually.

I am exploring the market to ascertain the availability and cost of excess or umbrella coverage that would provide additional protection in this area.

Manual Fire Alarm Clause

Whereas this endorsement does not appear to be appropriate, a quick check with Mr. Whitley indicates that credit has been allowed in the rates for partial automatic systems based on F.I.R.O. inspection of 9/15/69. I am digging into this matter further and would like to know for my guidance whether any changes have been made in the systems since 9/15/69.

Contamination or Pollution Exclusion

This endorsement does not adversely affect liability coverage for students in the science department. Its principal purpose is to exclude coverage for smoke and fumes, etc., outside of buildings where the emission is not accidental.

In connection with our negotiations for your insurance this year, we have encountered unprecedented difficulty. Nevertheless, we are grateful for having been able to preserve the package concept including the P.I.P. form of protection and implementing a participating workmen's compensation policy which will lower the cost of that item substantially.

We are enclosing a re-typed copy of your budget figures and remain with many thanks for your continued patronage and cooperation.

Very truly yours,

T. C. MOFFATT & CO.

  
D. P. Myers

DPM:DG  
Enc.

BOARD OF EDUCATION OF NUTLEY  
 Approximate Insurance Cost for Policies Expiring Between July 1, 1971  
 and June 30, 1972

<u>COVERAGE</u>	<u>AMOUNT</u>	<u>EXPIRATION DATE</u>	<u>TERM</u>	<u>PREMIUM</u>
Institutional Special Multi-Peril Policy	\$13,046,510.	July 1, 1971	2nd Yr. Inst.	\$18,584.
All Risk Floater Form on Racing Shells	\$ 11,480.	March 19, 1972	1 Yr.	\$ 459.
Workmen's Compensation	-	July 1, 1971	1 Yr.	\$21,000.
Comprehensive Automobile Liability and Physical Damage	Various	July 1, 1971	1 Yr.	\$ 4,800.
Fine Arts Insurance on Cups and Trophies	\$ 5,000.	May 25, 1972	1 Yr.	\$ 135.
Automobile Liability and Physical Damage on 4 Driver Education Autos	Various	Sept. 25, 1970	1 Yr.	\$ 1,786.
			TOTAL	\$46,764.
			N. J. State Surcharge	161.
			GRAND TOTAL	\$46,925.