

# Risk Management Update

Finance Committee Meeting  
September 11, 2002

# Current Policies

- General Liability
- Excess Liability on General Liability Policy
- Workers Compensation and Employer's Liability
- Directors & Officers Liability
- Employed Lawyers Professional Liability
- Aviation
- Public Utility – Crime
- 401K Plan Insurance
- Travel Accident
- Kidnap & Ransom
- Property

# General Liability

## Brady & Co. (National Union Fire)

### 01/01/2002 - 01/01/2003

\$25,800,000      Each occurrence limit

Coverage includes:

- Products/completed operations limit
- Crisis Response sub-limit
- Crisis management limit
- Self insured retention limit

\$200,000      Deductible

Excess Liability  
(Above General Liability Limit)  
Brady & Co. (Fireman's Fund)  
12/31/2001 - 12/31/2002

\$10,000,000

Excess of \$25,800,000 each occurrence limit

# Workers Compensation and Employer's Liability

## Brady & Co. (Montlake)

### 01/01/2002 - 01/01/2003

\$1,000,000      Each accident limit

\$1,000,000      Disease-each employee limit

\$1,000,000      Disease-policy limit

# Directors & Officers Liability Parker/Smith/Feek (Chubb Custom) 12/31/2001 - 12/31/2002

Coverage includes:

- Wrongful Act
- Employment Practices
- Personal Injury or Publishers Liability

\$15,000,000	Each loss limit
\$15,000,000	Each policy year limit
\$75,000	Deductible each claim
\$150,000	Deductible each anti-trust claim limit

# Employed Lawyers Professional Liability Parker/Smith/Feek (Executive Risk Indemnity) 12/31/2001 - 12/31/2002

\$1,000,000	Each claim limit
\$200,000	Defense sub-limit
\$10,000	Deductible each claim limit under Directors & Officers liability policy

Aviation  
Brady & Co. (XL Specialty)  
01/01/2002 - 01/01/2003

\$10,000,000      Combined single limit, limited to \$500,000  
per passenger seat

Includes coverage for certain employees  
using private aircraft on Chugach business

Public Utility - Crime  
Brady & Co. (National Union Fire)  
01/01/2002 - 01/01/2003

\$5,000,000

Limit covering the following:

- Employee Dishonesty
- Loss inside the premises
- Loss outside the premises
- Depositors forgery coverage
- Computer coverage
- Credit card forgery (no deductible)

\$25,000

Single loss deductible

401K Plan Insurance  
Brady & Co. (Federal Insurance)  
01/01/2002 - 01/01/2003

\$5,000,000      Limit of liability

\$10,000 deductible

Travel Accident  
Brady & Co. (AIG Life Insurance)  
01/01/2002 - 01/01/2003

Includes coverage for employees, Directors and guests traveling on Chugach business

Class 1 insured: \$750,000 limit

Class 2 insured: \$500,000 limit

Coverage is extended to include named employees who pilot any civil aircraft while on Chugach business - \$150,000 limit

Kidnap & Ransom  
Brady & Co. (Federal Insurance)  
01/01/2002 - 01/01/2003

\$1,000,000

Limit covering the following:

- Kidnap/ransom & extortion
- Delivery coverage
- Expense coverage

# Property

## Factory Mutual

### 09/01/2002 - 09/01/2003

\$560,000,000

Maximum limit of liability in a single occurrence

Automatic coverage limit for 90 days and includes the following:

- Misc. unnamed locations
- A/R, data, programs or software, errors and omissions, fine arts, expediting costs, transportation, valuable papers and records
- Land and water contaminant or pollutant cleanup, removal and disposal in the aggregate during any policy year
- Flood
- Professional fee
- Terrorism

# Deductible Changes

Property coverage contains a \$250,000 deductible except on the following:

Beluga units 6 and 7:	\$750,000
Beluga unit 3:	\$600,000
Beluga unit 5:	\$650,000

Computer virus coverage is subject to a 48 hour waiting period in addition to the \$250,000 policy deductible when the loss or damage is caused by malicious introduction of machine code or instruction.

# Changes and Exclusions

A loss to transformers or turbogenerators with windings over 25 years old, adjustments of the loss amount will be computed subject to actual cash value of the equipment involved.

Exclusions:

- Fungus, molds or mildew
- Loss resulting from the voluntary parting with title or possession of property if induced by any fraudulent act or by false pretence
- Loss or damage to the interior portion of buildings under construction from rain, sleet or snow, whether or not driven by wind, when the installation of the roof, walls and windows has not been completed.