

**MUNICIPAL EXCESS LIABILITY JOINT INSURANCE FUND**

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**BULLETIN MEL 20-03****Date:** January 1, 2020**To:** Fund Commissioners of Member Joint Insurance Funds**From:** Underwriting Manager  
Conner Strong & Buckelew**Re:** Property / Equipment Breakdown Program**The bulletin does not apply to the members of the NJUA JIF and workers compensation only members of NJPHA JIF.****Insurer:** Zurich American Insurance Company (90%)  
Municipal Excess Liability Joint Insurance Fund (10%)**Policy #:** ERP 9806147-08  
MEL01200187**Policy Period:** 12/31/2019 – 12/31/2020

Coverage	Limit of Insurance
Per Occurrence	
PD & TE Combined	\$125,000,000
Extra Expense	\$10,000,000
Tenant Relocation Expenses	\$750,000
Leasehold Interest	\$15,000,000
Loss of Rents	\$15,000,000
Wind Turbine	\$1,000,000
Accounts Receivable	\$10,000,000
Computer Systems Damage (Aggregate)	\$1,000,000
Cyber Event (Aggregate)	\$100,000
Contingent Time Element	NCP
Debris Removal	\$25,000,000
Decontamination Costs	\$250,000
Deferred Payments	\$1,000,000
Errors and Omissions	\$10,000,000
Expediting Costs	\$10,000,000
Fine Arts	\$2,500,000
Fire Department Service Charge	\$250,000
Increased Cost of Construction	\$25,000,000
Land & Water Contaminant Cleanup, Removal & Disposal (Annual Aggregate)	\$250,000
Land Improvements	NCP
Miscellaneous Personal Property	\$10,000,000
Outdoor Property	\$10,000,000
Miscellaneous Unnamed Location	\$10,000,000
Off Premises Service Interruption (excluding Power Generating Utilities)	\$10,000,000
Professional Fees	\$1,250,000
Radioactive Contamination	NCP
Research Animals	NCP

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Asbestos Removal	\$50,000
Tenants Prohibited Access	\$1,000,000
Transit	\$1,000,000
Valuable Papers and Records	\$10,000,000
New Construction and Additions	\$10,000,000
Soft Costs	\$5,000,000
Watercraft (PD ONLY; Time Element Not Covered)	\$1,000,000
Vehicles (PD ONLY; Time Element Not Covered)	\$15,000,000
Bridges and Dams	\$10,000,000
Piers, Wharfs, Docks, Boardwalks & Bulkheads	\$10,000,000
Transmission and Distribution Lines	\$10,000,000
Clogging/Blocking of Pipes	\$1,000,000
Off Premises Storage for Property Under Construction	\$250,000
Drones (Unmanned, Unfueled and Not in Flight)	\$100,000
Equipment Breakdown	\$125,000,000
Ammonia Contamination	\$5,000,000
Spoilage	\$5,000,000
Earth Movement (Annual Aggregate)	\$50,000,000
Property in Zones 1 & 2	NCP
Flood (Annual Aggregate), including Storm Surge	\$50,000,000
Locations wholly or partially within SFHA (Per Location)	\$2,500,000
Property outside building or structure, but not Outdoor Property (Per Occurrence)	\$1,000,000
Pumping Stations (Per Location)	\$2,500,000
Buildings on pilings wholly or partially within SFHA V, VE or V1-30	NCP
Named Storm	\$125,000,000
Property in Zones 1 & 2	NCP
<b>Time and Distance Limitations</b>	
Attraction Property (located within 1 mile of Insured Location)	NCP
Civil or Military Authority (within 5 mile radius)	30 days
Aggregate	\$5,000,000
Actual Time Element Loss Sustained arising out of Delay in Completion	60 days
Gross Earnings	12 months
Extended Period of Liability	365 days
Ordinary Payroll	90 days
Impounded Water	30 days
Aggregate	\$250,000
Ingress/Egress (within 1 mile)	30 days
Aggregate	\$5,000,000
International Interdependency	30 days
Aggregate	\$1,000,000
Newly Acquired	90 days
Per Location Aggregate	\$25,000,000
Protection and Preservation of Property (Gross Earnings or Gross Profit)	48 hours
Aggregate	\$10,000,000
Research & Development	12 months
Aggregate	\$10,000,000

<b>Time Specifications</b>	
Earth Movement (Occurrence)	168 hours
Named Storm (Occurrence)	120 hours

<b>Valuations</b>	
Finished Stock	Selling Price
Merchandise	Replacement Cost
Vehicles	Actual Cash Value
Antique Fire Trucks	
Scheduled	Replacement Cost (to scheduled value)

Not Scheduled Emergency Vehicles (except Police) =/ 15 years > 15 years  Leased Trash Collection Trucks Repair > 75% of Actual Cash Value	Lesser of Actual Cash Value, repair or replace  Replacement Cost Lesser of scheduled value or Replacement Cost, but no less than ACV Actual Cash Value plus termination liability Greatest valuation
Watercraft Scheduled Not Scheduled	Lesser of scheduled amount or Replacement Cost Actual Cash Value
Construction, Contractors & Miscellaneous Equipment	Actual Cash Value
Repair, rebuilding or replacement not started within 5 years from date of loss	Actual Cash Value

Qualifying Period	
Off Premises Service Interruption	24 hours
Computer Systems Damage	48 hours
Tenants Prohibited Access	24 hours
New Construction and Additions (Delay in Completion)	15 days

Deductibles	
Combined Coverages (Per Occurrence)	\$500,000
Earthquake (Per Occurrence)	\$500,000
Flood (Per Occurrence)	\$500,000
Locations with any part of legal description within an SFHA	
Building	\$500,000
Contents	\$500,000
Time Element	\$500,000
Locations with buildings wholly or partially within an SFHA	
Housing Authority/Non-Profit Buildings	
Building	\$250,000
Contents	\$100,000
Time Element	\$250,000
Pumping Stations, Lift Stations, Wet Wells, Pistol Ranges, Vehicles, Mobile Equipment, and all property located outside building or structure, but not Outdoor Property	
Property	\$500,000
Time Element	\$500,000
Named Storm (Per Occurrence)	\$500,000
Covered property in Atlantic, Ocean, Monmouth and Burlington counties located east of the Garden State Parkway, and covered property in Cape May County	
Property Damage (Per Occurrence)	1% of scheduled value for loss location
Time Element (Per Occurrence)	1% of scheduled value for loss location and ensuing locations
Minimum Deductible, PD & TE Combined (Per Location)	\$500,000
Maximum Deductible (Per Occurrence)	\$1,000,000
Equipment Breakdown (Per Occurrence)	\$50,000

## Excess Flood / Earth Movement

Insurer: Various

Policy #: Various

Policy Period: 12/31/2019 – 12/31/2020

Coverage	Limits of Insurance
1 <sup>st</sup> Layer	\$25,000,000 excess \$50,000,000
2 <sup>nd</sup> Layer	\$25,000,000 excess \$75,000,000
Underlying Zurich Limit	
Flood	\$50,000,000
SFHA Flood	\$2,500,000
Earthquake	\$50,000,000

**UNIQUE COVERAGE ISSUES**

Additional Conditions	
Cyber Event	<p>“Digital Assets” excluded, except when Stock in Process, Finished Stock, Raw Materials, supplies, or Merchandise, or as otherwise provided by the Computer Systems Damage coverage, Valuable Paper and Records coverage for Cyber Event coverage.</p> <p>Computer Systems Damage coverage only applies following direct physical loss of or damage to Computer Systems or Media. Errors and omissions excluded, except the ensuing physical loss is covered. Loss to Digital Assets excluded from errors and omissions. Cyber Event is excluded from CSD.</p> <p>Cyber Event causing off-premises interruption of services must occur at service provider.</p> <p>“Cyber Event” – Authorized/Unauthorized access/use, disappearance of code, malicious act, distortion, malfunction, deficiency, deletion, fault, Computer Virus, Denial of Service, or corruption perpetuated through the computer network, an internet enabled device or Computer Systems.</p> <p>Provides Digital Asset Replacement Expenses, Expediting Expense, Computer Forensic Expense, Protection and Preservation of Digital Assets, Off Premises Service Interruption.</p>
Loss Payee/Additional Insured	As included on any Certificate of Insurance
Watercraft (PD Only)	=/ < 32 feet in length and at Insured Location or in official use
Bridges & Dams Bridges part of a building/structure Attached to an insured’s location Earthquake, Flood or Named Storm	Covered Covered Excluded
Piers, wharfs, docks, bulkheads, floating docks, boardwalks and crossovers, and buildings/structures thereon	Excluded perils: Earthquake and Flood
Transmission & Distribution Lines Above Ground Underground	=/ < 1 mile radius from Insured Location =/ < 5 mile radius from Insured Location
Gross Earnings	Tax Receipts excluded. Ordinary Payroll included. Tax revenue covered if from accounts receivable loss.
Debris Removal	Land Improvements from Earthquake, Flood or Named Storm are excluded. Curbside pickup/drop off of residential/commercial debris/waste is excluded.
Outdoor Property (PD Only)	<p>Excluded perils: Earthquake and Flood</p> <p>Outdoor Property means: personal property located outdoors; outdoor fences; outdoor radio and television antennas (including satellite dishes); outdoor signs not attached to buildings; outdoor playground equipment, apparatus and fixtures; outdoor athletic equipment, apparatus and fixtures; other outdoor structures that are not buildings; other outdoor equipment that does not provide electrical, gas, fuel, steam, water or refrigeration service to a building; other outdoor apparatus; other outdoor fixtures</p> <p>Outdoor means: outside a permanent building, not wholly enclosed by walls and a roof; inside a moveable container located outside a permanent building</p> <p style="text-align: right;">Outdoors does not mean: vehicles</p> <p>Outdoor Property scheduled prior to a loss is considered an Insured Location and will not be subject to the outdoor Property endorsement</p>

	Outdoor Property coverage does not insure Cape May Convention Center or Ocean City Music Pier
Volunteers	Covered property: personal property of volunteers of the insured
Retaining Structures	Covered if attached to a scheduled location
Repair, rebuilding or replacement	5 year limitation to start, otherwise ACV
EFNS Peril Deductible	If event or series of related events where more than one EFNS peril is triggered, the single largest of the EFNS peril deductibles will apply
Excluded Underground Property Underground Piping	> 1,000 ft. radius from covered building or structure
Underground Storage Tanks	Not Covered
Underground Electric, Data, Voice, Digital, Fiber Optic or Similar cable	> 1,000 ft. radius of an insured location owned by the member entity
Underground Gas Pipelines	Not Covered
Underground Sanitary Systems	Not Covered while the insured location under which such system lies is not under construction or renovation
Excavation Costs	Excavation Costs prior to the determination of a covered cause of loss to covered property are excluded.
Clogging/Blocking of Pipes	Water system intakes or sewer system outflows at an Insured Location when clogged with sand, clay, organic matter or other soil components caused by a Covered Cause of Loss.
Vacant Buildings	A building containing little or no contents and/or occupants. Buildings under construction/renovation shall not be considered Vacant Buildings.
Tenant Relocation	Relocation Expense: When a building is uninhabitable. Means reasonable, documented and necessary cost of packing, insuring, storing and carting household goods, cost of securing new utility services less refund from discontinued services, cost of searching for other quarters, costs of disconnecting and reconnecting household appliances, and additional living expenses while searching for or awaiting possession of other quarters or the restoration of existing quarters. Does not mean loss caused by the termination of a lease or other agreement, security deposits or other payments made to the landlord or lessor of other quarters, and down payments, legal fees and closing costs incidental to the purchase of other quarters.
Qualifying Period	Per Declarations
Valuations	Vehicles valued at ACV, except: 1. Antique fire trucks: Replacement cost up to the value on schedule. If not scheduled, lesser or ACV, repair or replace. 2. Emergency Vehicles (except Police): Replacement cost for 15 years or less, and lesser or scheduled or RC (but no less than ACV) for over 15 years. 3. Trash Collection Trucks leased: ACV plus termination liability. 4. If repair exceeds 75% of ACV, valuation is the greater of ACV or any other applicable valuation. 5. Construction, Contractors and Miscellaneous Equipment: ACV, unless a lease/rental agreement requires RC. Includes construction and contractors equipment (tractors, lawn mowers, backhoes, etc.), and miscellaneous equipment (police radios, portable rescue equipment, air packs, walkie talkies, etc.)
TPA	York Risk Services Group
Fine Arts – Transit	Fine Arts covered at Insured Location and In Transit
TRIA	Included

**Please see policy form for all coverage, terms and conditions.**

## **ADDITIONAL NOTES**

As respects the \$400,000 excess of \$100,000 layer, the MEL does not provide primary flood coverage for any locations wholly or partially within Special Flood Hazard Areas (SFHA), areas of 100-year flooding, as defined by the Federal Emergency Management Agency. The member local unit may purchase this coverage from the National Flood Insurance Program or anywhere else they wish. If you do not have an RMC, NFIP flood coverage quotations can be obtained directly on line via the NFIP website at [www.nationalfloodinsurance.com/NFIP/quote.htm](http://www.nationalfloodinsurance.com/NFIP/quote.htm). We suggest you consult with your Municipal Office of Emergency Management (OEM) Director for updated flood zone determinations.

Certain Joint Insurance Funds participate in the Named Storm Deductible Risk Sharing Program, which is subject to the following provisions:

1. In the event of a covered loss subject to the NAMED STORM DEDUCTIBLE RISK SHARING PROGRAM, the JIFs that are parties to this agreement shall contribute to the total amount of the deductible pro rata based on each JIFs reported values for all properties subject to the NAMED STORM DEDUCTIBLE RISK SHARING PROGRAM. The reported values for all properties subject to the NAMED STORM DEDUCTIBLE RISK SHARING PROGRAM will be established in May of each year;
2. The first \$5,000 of loss from each member location shall not be subject to this sharing provision;
3. This sharing provision shall be subject to only insured property at insured locations;  
and
4. To be eligible for reimbursement under this agreement, the member shall file a claim with FEMA, including any National Flood Insurance Program policies, and the reimbursement under this agreement shall be reduced by the amount of such reimbursement.

**MEMBER PROPERTY DEDUCTIBLES BY JIF**  
*Local JIF Retention is \$100,000 / MEL Retention is \$400,000*

<b>JIF</b>	<b>All Other</b>	<b>Comprehensive / Collision</b>	<b>Mobile Equipment</b>	<b>Equipment Breakdown</b>
Atlantic	\$1,000	\$1,000	\$1,000	\$5,000
Bergen	\$2,500	\$2,500	\$2,500	\$5,000
Burlington	\$1,000	\$1,000	\$1,000	\$5,000
Camden	\$2,500	\$2,500	\$2,500	\$5,000
Central	\$2,500	\$2,500	\$2,500	\$5,000
First	\$1,000	\$1,000	\$1,000	\$5,000
Mid Jersey	\$1,000	\$1,000 / \$2,500	\$1,000	\$5,000
Monmouth	\$2,500	\$2,500	\$2,500	\$5,000
Morris	\$1,250	\$1,250	\$1,250	\$5,000
NJPHA	\$5,000	\$5,000	\$5,000	\$5,000
NJMSI	\$5,000	\$1,000 / \$2,500	\$1,000	\$5,000
Ocean	\$2,500	\$2,500	\$2,500	\$5,000
PAIC	\$1,000	\$1,000	\$1,000	\$5,000
PMM	\$2,500	\$2,500	\$2,500	\$5,000
South Bergen	\$2,500	\$2,500	\$2,500	\$5,000
Sub Essex	\$2,500	\$2,500	\$2,500	\$5,000
Sub Muni	\$2,500	\$2,500	\$2,500	\$5,000
TRICO	\$1,000	\$1,000	\$1,000	\$5,000

*\*Please note, other deductibles may apply to the member. I.E. SFHA Flood in the \$400k x \$100k layer is not covered by the MEL, so the member becomes responsible for the excess policy deductible. Please read the Risk Management Plans and policy documents for a full description of terms and conditions.*

If you have any questions, please contact your Risk Management Consultant, JIF Executive Director or the Underwriting Manager.

**The above description is a general discussion of the coverage and limits provided by the FUND. However, the actual terms and conditions are defined in the policy document and all issues shall be decided based on the policy document.**

cc: Risk Management Consultants  
Fund Professionals  
Fund Executive Directors