



Ronald E. Richter
Commissioner

Susan Nuccio
Deputy Commissioner/
Chief Financial Officer
Financial Services

Jose Mercado
Assistant Commissioner
Budget, Claiming &
Revenue
Financial Services

150 William Street
10th Floor
New York, NY 10038

MEMORANDUM

DATE: October 8, 2013
TO: *EarlyLearn* NYC Providers
FROM: Jose Mercado *J.M.*
SUBJECT: **FAILURE TO OBTAIN INSURANCE BY
NOVEMBER 1, 2013 WILL RESULT IN SITE CLOSINGS
EL Memorandum Number #9**

The Administration for Children's Services (ACS) is concerned that you have not yet submitted proof of insurance coverage beginning November 1, 2013. As you know, effective November 1, 2013 you are responsible for obtaining insurance policies that will no longer be provided by the New York Central Insurance Program (CIP). Due to the serious nature of this issue, we urge you to address this issue immediately and to include your board members in this conversation. **Your site(s) will not be able to remain open to serve children without the appropriate insurance coverage.**

For your convenience, an information session is being scheduled to provide details concerning insurance coverage:

TIME AND DATE: 10AM-Noon Tuesday, October 15, 2013
LOCATION: Essensa, 555 West 57th Street, 12th Floor NY, NY 10019

If you have not yet requested your loss run information from ACS, which is the first step in the process for you to obtain insurance coverage, you must do so immediately. **Please email ACS and request your loss run information. Send your request to: EL.INSURANCE@acs.nyc.gov.**

If you have already received your loss run information and you are seeking a broker, or you are in the process of determining your insurance coverage, it is important that you act promptly since it will take time to generate the required proof of insurance and for ACS to validate these documents.

Attached please find the September 27, 2013 letter from ACS Finance and Early Care & Education Divisions which provided detailed information concerning the insurance deadlines, requirements and vendor information. A copy of your contract language covering insurance requirements is also attached.

We are also attaching a listing of specific, detailed information which are applicable to the various insurance certificates needed to operate. Please follow all guidelines to ensure that your certificates are approved and your site can remain in service.

Copy:
Deputy Mayor Linda Gibbs
ACS Commissioner Ronald E. Richter

Required Insurance Documents Applicable to Insurance Certificates

Listed below are the required insurance documents that should be submitted to New York City Administration for Children's Services (ACS). These insurance documents must have an effective date of November 1, 2013 and should be sent to Jean Sheil at jean.sheil@acs.nyc.gov by November 8, 2013.

1. Certification By Broker
 - a. Must be notarized.
 - b. Must include the name of the broker and their contact information
2. Your general liability, worker's compensation and fidelity carrier(s) can all be listed on the same "Certificate of Liability Insurance" document, provided that you are using the same broker. Each type of insurance should have its own policy number and the limits outlined. All certificates should be dated. Listed below are the other items that must be included on the Certificate of Liability Insurance:
 - a. Contact name and phone number for the sponsor agency (i.e. the ACS contractor).
 - b. Insured site name and address.
 - c. If insuring more than one site and using one document instead of multiple Certificate of Liability Insurance documents, each additional site name and full address must be added to the: "Description of Operations/ Locations/Vehicles" box.
 - d. Policy number must be provided; the words "on binder" are not acceptable
 - e. All policies should be for a minimum of a calendar year.
 - f. NAIC # should be listed next to insurers affording coverage on all documents.
 - g. Broker contact information (full name, address and phone number)
 - h. Certificate of Holder section should read as follows:

City of New York
C/O The Administration for Children's Services
150 William Street, 9th floor
New York, NY 10038
3. Disability coverage must be on its own document called "Certificate of Insurance Coverage under the NYS Disability Benefits Law". For multi-site contractors, you must have one certificate for each site. Listed below are some of the items that must be included in this document:
 - a. Sponsor agency (i.e. the ACS contractor)
 - b. Site name and address
 - c. Business phone number.
 - d. Insurance Carrier's name, contact person and phone number.
 - e. Policy number must be provided; the words "on binder" are not acceptable
 - f. All policies should have a start and end date that equals a year.
 - g. Broker contact information (name and phone number)
 - h. Name and Address of the Entity Requesting Proof of Coverage should read as follows:

City of New York
C/O The Administration for Children's Services
150 William Street, 9th floor
New York, NY 10038
4. Organizations that are taking buses on trips must obtain a "Certificate of Liability Insurance" from the chartered bus company (includes yellow school bus) which shows that ACS and the name of the site(s) taking the trip, has been added to the "Certificate Holder" section of the document two weeks prior to the date of the trip. The coverage should have a total of \$5 million dollars in coverage (can be a combination of auto and excess liability). The Certificate Holder section should read as follows:

City of New York
C/O The Administration for Children's Services
150 William Street, 9th floor
New York, NY 10038



To: EarlyLearn NYC & Discretionary-funded child care programs
From: ACS Finance and Early Care & Education Divisions
Date: Friday, September 27, 2013
RE: Central Insurance Program – There are **35** calendar days until November 1!

THERE ARE 35 CALENDAR DAYS (25 BUSINESS DAYS) UNTIL NOVEMBER 1!

Dear *EarlyLearn* and City Council discretionary funded programs –

As you know, beginning November 1, 2013, the New York City Central Insurance Program (CIP) will no longer cover Commercial General Liability, Workers Compensation and Disability, and Fidelity Bond (crime). Each ACS contractor MUST obtain these policies by November 1, 2013 – sites cannot provide services to children without this insurance coverage.

If you do not have these policies in place by November 1, you will be in breach of your contract with ACS. In addition, you should be aware of the following consequences:

- Without general liability coverage, DOHMH will revoke your permit;
- Without workers' compensation and disability, you will be fined **daily** by the NYS Department of Labor.

In short, your center(s) will have to be closed.

We are writing today with a checklist of actions necessary for your organization to acquire insurance by November 1. **If you have not yet requested loss runs for your organization, PLEASE DO SO IMMEDIATELY.** Please note that depending on your organization's history, it can take some time to receive your requested documentation. **TIME IS OF THE ESSENCE.**

Checklist and Action Steps:

- **Request and receive loss runs:**
 - Your Executive Director, a member of the Senior Staff or Board of Directors must request loss runs in writing via email to Sunday Bafunso at sunday.bafunso@dfa.state.ny.us. *Loss run requests cannot be made by an insurance broker;*
 - If you are a multi-site provider, the loss run request must be made on the organization level – in other words, each individual site/program need not make a separate loss run request. As part of your request, please include your name and title, the name of the organization, and **the addresses – not site names – of all sites/programs under your organization** that have an EarlyLearn and/or City Council funded discretionary contract.
- **Identify an insurance broker/firm** – see attached list for your convenience, if you have not yet identified a broker/firm.
- **Find insurance carriers**, for the four types of insurance listed above: general liability, worker's compensation, disability, and fidelity bond coverage
- **Receive quotes**
- **Select insurance carrier(s)**
- **Carrier informs the NYS Insurance Fund of coverage**
- **Provide ACS with proof of coverage** for all four types of required insurance listed above as soon as possible, but **no later than November 8, via jean.sheil@acs.nyc.gov** :

If you have already acquired insurance coverage, we ask that send your documentation to Jean Sheil as soon as possible so we are aware that you are covered and in full compliance with your contract terms.



A reminder of the types of insurance required, and requirements for each:

For Workers' Compensation, Disability Benefits, and Employer's Liability coverage the submitted proof of insurance must comply with Section 7.08(A) of Appendix A of your *EarlyLearn* or discretionary contract.

For all other required insurance coverage, you are required to submit proof of insurance in accordance with Section 7.08(B) of Appendix A of your *EarlyLearn* or discretionary contract which includes a copy of the Certificate of Insurance, the additional insured endorsement, and a duly executed Certification by Broker (page 5 in the attached "Insurance Requirements" document).

For the Commercial General Liability insurance (which may include additional, supplementary or alternate, umbrella, abuse and molestation and/or corporal punishment coverage), The City of New York, together with its officials and employees, must be named as an Additional Insured with coverage at least as broad as the most recently issued ISO Form CG 20 10. Please note: do not name the Administration for Children's Services as the Additional Insured as this is not acceptable. The City's address to include on the "Certificate Holder" box of the Certificate of Insurance is as follows:

The City of New York
c/o The Administration for Children's Services
150 William Street, 9th Floor
New York, New York 10038

Please note each site address must be listed in full on the ACORD Certificate of Insurance as it is specified in your contract with ACS. It is not acceptable to refer to the sites by their center names.



Contact Information for Insurance Brokers & Providers

New York State Insurance Fund - offers Worker's Compensation & Disability

Customer Service Center: 888.875.5790

<http://ww3.nysif.com/>

multiple business offices in NYC:

<http://ww3.nysif.com/EyebrowPages/ContactUs/DistrictOfficeLocations.aspx>

Essensa (NYC's non-profit group purchasing organization)

Kenneth O'Reggio

555 West 57th Street, 12th Floor

New York, NY 10019

koreggio@innovatix.com or koreggio@essensa.org

212.901.1210

Representatives from Essensa's insurance vendor portfolio:

The Omni Agency, Inc.

Trey Wilder

1430 Broadway, 13th Floor

New York, NY 10018

Office: 718.831.7888 ext. 2604

Cell: 347.676.8606

twilder@theomniagency.com

www.omniessensa.com

Q6 Advisors, Inc.

Alix A. Beien-Aime

60 East 42nd Street, Suite 864

New York, NY 10165

Office: 516.394.2523

Cell: 516.850.1847

abienaime@Q6Advisors.com

www.q6advisors.com

Additional vendors:

Arthur J. Gallagher Risk Management Services

Jack McArdle

2 Gannett Drive

White Plains, NY 10604-3404

Office: 914.697.6031

Cell: 914.584.2239

Fax: 914.323.4531

jack_mcardle@ajg.com

www.ajgrms.com

Borg and Borg Insurance

Sean Bickoff

148 E. Main Street

Huntington, NY 11743

Phone: 631.673.7600

Fax: 631.351.1700

seanb@borgborg.com

<http://www.borgborg.com/>

Brown and Brown Metro Inc.

Matthew Struck

30A Vreeland Road

Florham Park, NJ 07932

Office: 973.549.1893

Cell: 973.303.8967

Fax: 973.549.1000

mstruck@bbmetro.com

<http://www.bbmetro.com/>

Carriage Trade Insurance Agency, Inc.

Michael R. Jakob

One Holland Avenue, Suite 105

Floral Park, NY 11001

Office: 516.358.5600

Fax: 516.358.5656

mjakob@carriagetradeinsurance.com

www.carriagetradeinsurance.com

Five Star Coverage Corp

Donald Smith
75B Montauk Hwy
Blue Point, NY 11715
Office: 631.567.1111
Cell: 516.317.8910
Fax: 631.218.3411
Donald@5starcoverage.com

Lamb Financial Group

Liam Kemmerley
145 W. 45th Street, 6th Floor
New York, NY 10036
Office: 212.375.3000 x 105
Cell: 267.275.6196
Fax: 718.389.4300
lkemmerley@lambfinancialgroup.com
<http://lambfinancialgroup.com/>

Loyola Group, Inc.

Edward R. Quinn III
119 North Park Avenue, 4th Floor
Rockville Centre, NY 11570
Office: 516.960.0701
Fax: 516.536.2234
equinn@loyolains.com

The Signature Group, LLC

Peter S. Schapero
950 Franklin Avenue
Garden City, NY 11530
Phone: 516.764.1100
Fax: 516.764.1019
pschapero@tsgins.com
<http://www.signatureinsurance.com/>

HUB International Northeast Limited

Scott Konrad
1065 Avenue of the Americas
New York, NY 10018
Office: 212.338.2295
Cell: 347.491.9671
Fax: 917.934.9546
scott.konrad@hubinternational.com
<http://www.hubinternational.com/>

Lee Insurance

Stephen Boon Jr.
31 Pell Street
New York, NY 10013
Office: 212.962.2232
Toll Free: 800.352.1707
Fax: 212.233.1421
sboon@leeins.com
<http://www.leeins.com/>

Sobel Affiliates - A Brown and Brown Company

Alan Labadorf
595 Stewart Avenue
Garden City, NY 11530
Phone: 516.745.1111
Fax: 516.745.5733
alabadorf@sobelins.com
<http://www.sobelins.com/>

USI Insurance Services LLC

David Carpentier
261 Madison Avenue, 5th Floor
New York, NY 10016
Office: 212.842.3430
Cell: 401.480.5906
Fax: 610.537.1920
david.carpentier@usi.biz
<http://ww2.usi.biz/>

Please note –

ACS does not endorse the services of any particular broker. Contractors are NOT limited to obtaining insurance coverage from one of the vendors on this sheet.

APPENDIX A

**GENERAL PROVISIONS GOVERNING CONTRACTS FOR
CONSULTANTS, PROFESSIONAL, TECHNICAL, HUMAN AND CLIENT SERVICES**

ARTICLE 7. INSURANCE

Section 7.01 Agreement to Insure

The Contractor shall not commence performing services under this Agreement unless and until all insurance required by this Article is in effect, and shall ensure continuous insurance coverage in the manner, form, and limits required by this Article throughout the term of the Agreement.

Section 7.02 Commercial General Liability Insurance

A. The Contractor shall maintain Commercial General Liability Insurance covering the Contractor as Named Insured and the City as an Additional Insured in the amount of at least One Million Dollars (\$1,000,000) per occurrence. Such insurance shall protect the City and the Contractor from claims for property damage and/or bodily injury, including death that may arise from any of the operations under this Agreement. Coverage under this insurance shall be at least as broad as that provided by the most recently issued Insurance Services Office ("ISO") Form CG 0001, and shall be "occurrence" based rather than "claims-made."

B. Such Commercial General Liability Insurance shall name the City, together with its officials and employees, as an Additional Insured with coverage at least as broad as the most recently issued ISO Form CG 20 10.

Section 7.03 Professional Liability Insurance

A. At the Department's direction, if professional services are provided pursuant to this Agreement, the Contractor shall maintain and submit evidence of Professional Liability Insurance appropriate to the type(s) of such services to be provided under this Agreement in the amount of at least One Million Dollars (\$1,000,000) per claim. The policy or policies shall include an endorsement to cover the liability assumed by the Contractor under this Agreement arising out of the negligent performance of professional services or caused by an error, omission or negligent act of the Contractor or anyone employed by the Contractor.

B. All subcontractors of the Contractor providing professional services under this Agreement for which Professional Liability Insurance is reasonably commercially available shall also maintain such insurance in the amount of at least One Million Dollars (\$1,000,000) per claim, and the Contractor shall provide to the Department, at the time of the request for subcontractor approval, evidence of such Professional Liability Insurance on forms acceptable to the Department.

C. Claims-made policies will be accepted for Professional Liability Insurance. All such policies shall have an extended reporting period option or automatic coverage of not less

than two (2) years. If available as an option, the Contractor shall purchase extended reporting period coverage effective on cancellation or termination of such insurance unless a new policy is secured with a retroactive date, including at least the last policy year.

Section 7.04 Workers' Compensation, Disability Benefits, and Employer's Liability Insurance

The Contractor shall maintain, and ensure that each subcontractor maintains, Workers' Compensation Insurance, Disability Benefits Insurance, and Employer's Liability Insurance in accordance with the Laws of the State on behalf of, or with regard to, all employees providing services under this Agreement.

Section 7.05 Unemployment Insurance

To the extent required by Law, the Contractor shall provide Unemployment Insurance for its employees.

Section 7.06 Business Automobile Liability Insurance

A. If vehicles are used in the provision of services under this Agreement, then the Contractor shall maintain Business Automobile Liability insurance in the amount of at least One Million Dollars (\$1,000,000) each accident combined single limit for liability arising out of ownership, maintenance or use of any owned, non-owned, or hired vehicles to be used in connection with this Agreement. Coverage shall be at least as broad as the most recently issued ISO Form CA0001.

B. If vehicles are used for transporting hazardous materials, the Business Automobile Liability Insurance shall be endorsed to provide pollution liability broadened coverage for covered vehicles (endorsement CA 99 48) as well as proof of MCS-90.

Section 7.07 General Requirements for Insurance Coverage and Policies

A. All required insurance policies shall be maintained with companies that may lawfully issue the required policy and have an A.M. Best rating of at least A- / "VII" or a Standard and Poor's rating of at least A, unless prior written approval is obtained from the City Law Department.

B. All insurance policies shall be primary (and non-contributing) to any insurance or self-insurance maintained by the City.

C. The Contractor shall be solely responsible for the payment of all premiums for all required insurance policies and all deductibles or self-insured retentions to which such policies are subject, whether or not the City is an insured under the policy.

D. There shall be no self-insurance program with regard to any insurance required under this Article unless approved in writing by the Commissioner. Any such self-insurance program shall provide the City with all rights that would be provided by traditional insurance required under this Article, including but not limited to the defense obligations that insurers are required to undertake in liability policies.

E. The City's limits of coverage for all types of insurance required under this Article shall be the greater of (i) the minimum limits set forth in this Article or (ii) the limits provided to the Contractor as Named Insured under all primary, excess, and umbrella policies of that type of coverage.

Section 7.08 Proof of Insurance

A. For Workers' Compensation Insurance, Disability Benefits Insurance, and Employer's Liability Insurance, the Contractor shall file one of the following within ten (10) Days of award of this Agreement. ACORD forms are not acceptable proof of workers' compensation coverage.

1. C-105.2 Certificate of Workers' Compensation Insurance;
2. U-26.3 -- State Insurance Fund Certificate of Workers' Compensation Insurance;
3. Request for WC/DB Exemption (Form CE-200);
4. Equivalent or successor forms used by the New York State Workers' Compensation Board; or
5. Other proof of insurance in a form acceptable to the City.

B. For each policy required under this Agreement, except for Workers' Compensation Insurance, Disability Benefits Insurance, Employer's Liability Insurance, and Unemployment Insurance, the Contractor shall file a Certificate of Insurance with the Department within ten (10) Days of award of this Agreement. All Certificates of Insurance shall be (a) in a form acceptable to the City and certify the issuance and effectiveness of such policies of insurance, each with the specified minimum limits; and (b) accompanied by the endorsement in the Contractor's general liability policy by which the City has been made an additional insured pursuant to Section 7.02(B). All Certificate(s) of Insurance shall be accompanied by either a duly executed "Certification by Broker" in the form attached to this Appendix A or copies of all policies referenced in the Certificate of Insurance. If complete policies have not yet been issued, binders are acceptable, until such time as the complete policies have been issued, at which time such policies shall be submitted.

C. Certificates of Insurance confirming renewals of insurance shall be submitted to the Commissioner prior to the expiration date of coverage of policies required under this Article. Such Certificates of Insurance shall comply with the requirements of Section 7.08 (A) and Section 7.08(B), as applicable.

D. The Contractor shall provide the City with a copy of any policy required under this Article upon the demand for such policy by the Commissioner or the New York City Law Department.

E. Acceptance by the Commissioner of a certificate or a policy does not excuse the Contractor from maintaining policies consistent with all provisions of this Article (and ensuring that subcontractors maintain such policies) or from any liability arising from its failure to do so.

F. In the event the Contractor receives notice, from an insurance company or other person, that any insurance policy required under this Article shall expire or be cancelled or

terminated for any reason, the Contractor shall immediately forward a copy of such notice to both the Commissioner City of New York Administration for Children's Services, 150 William Street, New York, New York 10038, and the New York City Comptroller, Attn: Office of Contract Administration, Municipal Building, One Centre Street, Room 1005, New York, New York 10007.

Section 7.09 Miscellaneous

A. Whenever notice of loss, damage, occurrence, accident, claim or suit is required under a general liability policy maintained in accordance with this Article, the Contractor shall provide the insurer with timely notice thereof on behalf of the City. Such notice shall be given even where the Contractor may not have coverage under such policy (for example, where one of Contractor's employees was injured). Such notice shall expressly specify that "this notice is being given on behalf of the City of New York as Additional Insured" and contain the following information: the number of the insurance policy; the name of the named insured; the date and location of the damage, occurrence, or accident; the identity of the persons or things injured, damaged, or lost; and the title of the claim or suit, if applicable. The Contractor shall simultaneously send a copy of such notice to the City of New York c/o Insurance Claims Specialist, Affirmative Litigation Division, New York City Law Department, 100 Church Street, New York, New York 10007. If the Contractor fails to comply with the requirements of this paragraph, the Contractor shall indemnify the City for all losses, judgments, settlements and expenses, including reasonable attorneys' fees, arising from an insurer's disclaimer of coverage citing late notice by or on behalf of the City.

B. The Contractor's failure to maintain any of the insurance required by this Article shall constitute a material breach of this Agreement. Such breach shall not be waived or otherwise excused by any action or inaction by the City at any time.

C. Insurance coverage in the minimum amounts required in this Article shall not relieve the Contractor or its subcontractors of any liability under this Agreement, nor shall it preclude the City from exercising any rights or taking such other actions as are available to it under any other provisions of this Agreement or Law.

D. The Contractor waives all rights against the City, including its officials and employees for any damages or losses that are covered under any insurance required under this Article (whether or not such insurance is actually procured or claims are paid thereunder) or any other insurance applicable to the operations of the Contractor and/or its subcontractors in the performance of this Agreement.

E. In the event the Contractor requires any subcontractor to procure insurance with regard to any operations under this Agreement and requires such subcontractor to name the Contractor as an additional insured under such insurance, the Contractor shall ensure that such entity also name the City, including its officials and employees, as an additional insured with coverage at least as broad as the most recently issued ISO form CG 20 26.

CERTIFICATION BY BROKER

[Pursuant to Article Seven of Appendix A, every Certificate of Insurance must be accompanied by either the following certification by the broker setting forth the following text and required information and signatures or complete copies of all policies referenced in the Certificate of Insurance. In the absence of completed policies, binders are acceptable.]

CERTIFICATION BY BROKER

The undersigned insurance broker represents to the City of New York that the attached Certificate of Insurance is accurate in all material respects, and that the described insurance is effective as of the date of this Certification.

[Name of broker (typewritten)]

[Address of broker (typewritten)]

[Signature of authorized officer of broker]

[Name of authorized officer (typewritten)]

[Title of authorized officer (typewritten)]

[Contact Phone Number for Broker (typewritten)]

[Email Address of Broker (typewritten)]

Sworn to before me this

____ day of _____, 201_

NOTARY PUBLIC

APPENDIX B

EARLY LEARN NYC SCOPE OF WORK

Section 4.07. Insurance.

C. Fidelity Bond. Notwithstanding anything to the contrary provided in this Agreement and unless explicitly waived in Section 2.05 of this Appendix B, the Contractor shall deliver to ACS a Fidelity Bond, with a limit of liability equal to twenty five percent (25%) of the Contractor's annual budget in connection with this Agreement or as otherwise determined by ACS, bonding every person authorized by the Contractor to receive, handle, or disburse monies received under this Agreement. The bond shall be issued by an insurer duly licensed by the Superintendent of Insurance of the State of New York and shall provide that any payment made thereunder for any loss sustained either by the Contractor or the City or both of them through any fraudulent or dishonest act by one or more of the bonded persons shall be payable to the City. In the event ACS has waived the fidelity bond requirement contained in this Section, ACS may in its sole discretion, reinstate the fidelity bond requirement at any time upon written notice to the Contractor.

Fidelity Bond Provision for EarlyLearn Modified Contracts and Discretionary Contracts:

Fidelity Bond. The Contractor shall deliver to ACS a Fidelity Bond, with a limit of liability equal to twenty five percent (25%) of the Contractor's annual budget in connection with this Agreement or as otherwise determined by ACS, bonding every person authorized by the Contractor to receive, handle, or disburse monies received under this Agreement. The bond shall be issued by an insurer duly licensed by the Superintendent of Insurance of the State of New York and shall provide that any payment made thereunder for any loss sustained either by the Contractor or the City or both of them through any fraudulent or dishonest act by one or more of the bonded persons shall be payable to the City.