

MEMORANDUM

TO: HARRP Member Authorities
FROM: Rick Gehlhaar, Claims Manager
DATE: September 17, 2001
SUBJECT: Important--Regarding Gaps In Fidelity & Crime Coverage



HARRP Agency Insurance Services, Inc. can help member authorities fill potential coverage gaps involving Fidelity & Crime coverage.

As you know, HARRP, as a municipal risk sharing pool, can only cover your 100% Government owned properties. Your Fidelity & Crime coverage only extends to cover losses to the *covered entity*. The *covered entity* is defined to mean the named member public housing authority. Therefore, your Fidelity & Crime coverage under the HARRP Coverage Agreement does not cover losses to any of your properties not 100% owned with Government funds. Losses suffered by tax credits, limited partnerships, non-profits, etc. cannot be covered by HARRP. This is true even if the employee responsible for the theft is a housing authority employee.

If you have properties as noted above, that are not already covered for Fidelity & Crime with another carrier, or covered on your property manager's insurance, please contact us and we would be happy to help you find coverage for this exposure.



You should also remember that your HARRP coverage is limited to \$10,000.00 for loss of electronic transfer of funds. Computer theft, by computer hackers, is also limited to this \$10,000.00 sub-limit. If your agency electronically transfers more than \$10,000.00 in funds monthly, you could suffer a loss that would not be covered. Please contact Rick Gehlhaar at the HARRP Agency, he will work with you to obtain coverage for this loss exposure.

HARRP Agency Insurance Services, Inc. is fully owned by HARRP and HARRP's members. We have access to a financially secure insurer that provides a broad, competitively priced policy that covers these exposures. The telephone number is (360) 694-3500 ext. 106.