



**CITY OF NOVI  
GENERAL LIABILITY AND PROPERTY INSURANCE  
SUMMARY PROPOSAL INFORMATION JUNE 2008**

**Option A: Proposal requested; \$100,000 SIR for Law Enforcement & Wrongful Acts Coverage; Self-insured for vehicles**

<u>Vendor:</u>	<u>Municipal Alliance</u>	<u>Travelers</u>	<u>MML</u>	<u>MMRMA</u>
Total premium	\$328,783	\$298,520	\$388,914	\$728,288
Agent Insurance	The Stevenson Company/Robert Bucko The Municipal Insurance Alliance U.S. Specialty Insurance/HCC Holdings and other A+ rated companies	Nickels & Saph/Stephen Saph Jr Travelers AIG and National Union Fire Insurance for accident insurance for volunteers; all other Travelers	N/A	Ibex Insurance Agency See reinsurance portfolio
A.M. Best Rating	A+	A+	A+	A+
Claims Reporting	Midwest	Nickels & Saph		
Sewer backup coverage	Yes	Yes	Claims defense only	Yes

NOTE: Under SIR the City is required to provide a deposit for the City's claims by both Alliance and Travelers. Both Alliance and Travelers have quoted sewer backup coverage up to \$1,000,000; Alliance has placed a limitation on the sewer coverage of \$500,000 per occurrence, and \$25,000 per claimant. For both Alliance and Travelers, the volunteer coverage has been removed from the premiums. Alliance charges for claims administration under the SIR program, the annual average for claims cost in the past was \$7,980 which is included in the premium.

**Option B: Additional coverage; \$50,000 for Law Enforcement & Wrongful Acts Coverage; Insured with \$1,000 deductible for all vehicles**

<u>Vendor:</u>	<u>Municipal Alliance</u>	<u>Travelers</u>	<u>MML</u>	<u>MMRMA</u>
Total premium	\$386,877	\$314,497	Did not request quote	Did not request quote

**Option C: Additional coverage; \$50,000 for Law Enforcement & Wrongful Acts Coverage; self-insured for vehicles with value < \$30,000**

<u>Vendor:</u>	<u>Municipal Alliance</u>	<u>Travelers</u>	<u>MML</u>	<u>MMRMA</u>
Total premium	\$339,803	\$309,306	Did not request quote	Did not request quote

**Additional Information:**

Premium History (all funds, excluding storage tank coverage):

2007-8	\$410,878
2006-7	\$428,888
2005-6	\$409,489

2008-9 Budget - General Fund Only \$418,900 (including storage tank separate coverage)

*Municipal Insurance Alliance*

*Summary of Coverage*

*for*

*City of Novi*

*June 2008*

*Robert J. Bucko, Risk Manager  
Stevenson Company  
48597 Hayes Road  
Shelby Township, MI 48315  
800-761-8895  
586-532-9836 (fax)*

Municipal Insurance Alliance

SUPPORT AND SERVICE COMPANIES:

Marketing and Service:

Robert J. Bucko  
48597 Hayes Road  
Shelby Twp., MI 48315

Phone: 586-532-9830  
Fax: 586-532-9836

Toll-Free: 800-761-8895

Insurance Companies:

U.S. Specialty Insurance Company  
HCC Holdings Company  
Travelers Insurance Company  
BEST RATING A +

Technical Administration:

Municipal Insurance Alliance  
1700 Opdyke Court  
Auburn Hills, Michigan 48326

Phone: 248-371-3100  
Fax: 248-371-3069

Risk Control Administration:

Midwest Risk Control  
1700 Opdyke Court  
Auburn Hills, Michigan 48326

Phone: 248-371-3100  
Fax: 248-371-3069

Claims Administration:

Midwest Claims Service  
1700 Opdyke Court  
Auburn Hills, Michigan 48326

Phone: 248-371-3100  
Fax: 248-371-3091

## **I. COMPREHENSIVE MUNICIPAL LIABILITY**

<i>Limit of Liability Per Occurrence</i>	<b>\$ 10,000,000.</b>
<i>Limit of Liability Per Aggregate</i>	<b>\$ 10,000,000.</b>
<i>Deductible</i>	<b>\$ 10,000.</b>

### ***Additionally Named:***

*The "Who is an Insured" provision of the Public Entity General Liability Form includes the following while acting within the scope of their duties and at the direction of the Named Insured.*

- A. A Governmental Agency or Subdivision: Department; Municipal Body; Board or Commission; or Non-For-Profit Corporation which is owned and controlled by the Named Insured.*
- B. An Individual while acting in a capacity as director, officer, trustee, employee or staff member.*
- C. Any volunteer.*
- D. Any paramedic, emergency medical technician or visiting nurse.*
- E. An Elected or Appointed Official or member of any board or commission or agency of the Named Insured.*

### ***Additionally Included:***

- A. Personal Injury also includes:
  - 1. Oral or written publication of material that is slander or libel,*
  - 2. Oral or written publication of material that violates a person's right of privacy,*
  - 3. False or improper service of process,*
  - 4. Discrimination,*
  - 5. Violation of the Federal Civil Rights Act of 1871 or 42 USC 1983 or similar laws.**
- B. Contractual Liability – Coverage for the Named Insured when it becomes Obligated Liability Assumed Through Contractual Agreements.*
- C. Advertising Liability – Includes "Slogan" Infringement.*
- D. Host Liquor Liability – Includes Incidental Giving and Serving.*
- E. Broad Form Property Damage Liability.*

- F. Incidental Medical Malpractice.*
- G. Bodily Injury and Property Damage Liability also includes:*
- 1. The definition of occurrence includes any intentional act by or at the direction of the additionally named insured which results in bodily injury or property damage if such injury arises from the use of reasonable force for the purpose of protecting persons or property, and*
  - 2. Mental Anguish, Mental Injury and Humiliation.*
- H. Newly Acquired or Formed Organizations or Operations – 90 Days Automatic*
- I. Defense & Legal Costs In Addition to the Limit of Liability.*
- J. Public and Private Highways, Roads, Streets, and Sidewalk Liability.*
- K. Special Events Liability – Includes Sponsored Athletic, Fund Raising, Social, Recreational Events (Fireworks Available Upon Approval).*
- L. Premises Medical Payments - \$ 10,000 Per Person*
- M. Fire Legal Liability (Rent/Lease/Borrow) - \$ 500,000 Any One Fire*
- N. Medical Services Professional Liability.*
- O. Non-Owned Watercraft Liability – under 26 feet in length.*
- P. Employee Benefits Liability - \$ 1,000,000 Per Claim,  
\$ 3,000,000 Policy Aggregate*
- Q. Sewer Backup Liability - \$ 500,000 Each Occurrence, \$ 1,000,000 Policy Aggregate  
\$ 25,000 Per Claimant Limit, \$ 1,000 Deductible*

## II. WRONGFUL ACTS LIABILITY (E&O)

<i>Limit of Liability Each Claim</i>	\$	<i>10,000,000.</i>
<i>Limit of Liability Policy Aggregate</i>	\$	<i>10,000,000.</i>
<i>Deductible</i>	\$	<i>50,000.</i>

### *Additionally Included:*

- A. Coverage addresses Not Only Public Officials and Employees, but the Named Insured as well.*
- B. "Pay on Behalf" Wording.*
- C. Also includes "All persons who were, now are, or shall be lawfully elected, appointed or employed officials of the NAMED INSURED while acting within the scope of their duties for the "NAMED INSURED."*
- D. Includes "Employment Practices Liability."*
- E. Includes Zoning Litigation Resulting From "Regulatory Takings"*

*Coverage is extended for regulatory takings of private property by the enactment or enforcement of any regulation or ordinance which unconstitutionally and temporarily restricts the use of private property.*

### III. LAW ENFORCEMENT PROFESSIONAL LIABILITY

<i>Limit of Liability Per Occurrence</i>	<b>\$ 10,000,000.</b>
<i>Limit of Liability Per Aggregate</i>	<b>\$ 10,000,000.</b>
<i>Deductible</i>	<b>\$ 50,000.</b>

#### *Additionally Named Insured:*

- A. All (full and part-time) paid employees of the Law Enforcement Department.*
- B. Unpaid Volunteers, or Reserves,*
- C. All persons who were, now are or shall be lawfully elected, appointed or employed officials of the Named Insured,*
- D. Your Employees while engaged in law enforcement or security duties for others but only to the extent authorized by the Named Insured.*

#### *Additionally Included Coverage:*

- A. Assault and Battery,*
- B. False Arrest, Detention or Imprisonment or Malicious Prosecution,*
- C. False or Improper Service of Process,*
- D. Civil Rights Violations (Including Federal Civil Rights).*
- E. Property in the Care, Custody, or Control of the Insured Law Enforcement Department,*
- F. Libel, Slander, Defamation of Character,*
- G. Wrongful Entry and Eviction,*
- H. Discrimination,*
- I. Mental Anguish, Mental Injury and Humiliation,*
- J. Non-Owned Watercraft up to 26 feet in length,*
- M. Hot Pursuit Losses,*
- N. Canine Liability Coverage – Included*



#### IV. VEHICLE "FLEET" LIABILITY

A. Comprehensive Personal Injury & Property Damage	\$ 10,000,000.
B. Personal Injury Protection Coverage	Statutory
C. Property Protection Coverage	Statutory
D. Mini Tort Liability Coverage	\$ 1,000.
E. Non-Owned and Hired Vehicle Liability	\$ 10,000,000.
F. Uninsured Motorists	\$ 1,000,000.
G. Underinsured Motorists	\$ 1,000,000.
H. Deductible - \$ 10,000.00	
• Per Occurrence/ Unlimited Policy Period Aggregate	

*Additionally Included Coverage:*

- A. Amended Fellow Employee Exclusion.
- B. Broad Form Named Insured.
- C. Unintentional Failure to Disclose Hazards.
- D. Revised Definition of Bodily Injury to Include Mental Anguish.
- E. Hired Auto Physical Damage - \$ 50,000 Each Occurrence

## V. VEHICLE "FLEET" PHYSICAL DAMAGE

- A. *Comprehensive – Per Schedule on File with Company.  
Vehicles are Actual Cash Value less a \$ 1,000.00 Deductible.*
- B. *Collision – Per Schedule on File with Company. (with value > \$30,000)  
Vehicles are Actual Cash Value less a \$ 1,000.00 Deductible (Broad Form)*
- C. *Fire & Emergency Vehicles Written on Replacement Cost Basis*
- D. *See Schedule for Vehicles with Physical Damage – Those vehicles  
without a "Cost New" are not provided physical damage*

### *Additionally Included Coverage:*

- A. *Freezing Coverage Included for Fire and Other Emergency Vehicles.*
- B. *Glass Repair – Waiver of Deductible if Windshield Repaired.*
- C. *Physical Damage Coverage to Volunteers or Employees Personal  
Vehicles - \$ 1,000.00*
- D. *Customized Vehicle Extension Endorsement.*
- E. *Hired Vehicle Physical Damage Coverage Limit - \$ 50,000*

## **VI. BUILDING & PERSONAL PROPERTY COVERAGE**

**Total Blanket Real & Personal Property Limit** **\$ 60,230,000.**  
**Agreed Amount, Blanket and Replacement Cost**  
**Special Perils**  
**Deductible - \$ 1,000.00**

### **Additionally Included:**

1. **Causes of Loss – Special Form**
2. **Agreed Value Coverage**
3. **Replacement Cost Valuation**
4. **Glass Coverage Automatically Covered Within Building Limit**

### **Additional Base Coverage – Higher Limits Available:**

1. **Premises Boundary Increased Distance to 1,000 Feet,**
2. **Extra Expense Coverage – \$ 500,000 Each Occurrence,**
3. **Valuable Papers and Records – \$ 500,000 Each Occurrence,**
4. **Grounds Maintenance Equipment - \$ 100,000 Each Occurrence,**
5. **Communication Towers- \$ 100,000 Each Occurrence,**
6. **Accounts Receivables - \$ 250,000 Each Occurrence,**
7. **Law and Ordinance - \$ 1,000,000 (A & B – 25% C),**
8. **Loss of Business Income - \$ 500,000 Each Occurrence,**
9. **Earthquake Coverage - \$ 5,000,000 – Deductible \$ 25,000,**
10. **Flood Coverage - \$ 5,000,000 – Deductible \$ 25,000,**
11. **Personal Effects of Others - \$ 1,000 per person, \$ 50,000 per occurrence,**
12. **Property off Premises - \$ 100,000 Each Occurrence,**
13. **Blanket EDP Hardware & Software - \$ 1,000,000 Each Occurrence, and**
14. **Blanket Portable “Emergency” Equipment - \$ 350,000 Each Occurrence.**

## VII. SCHEDULED & UNSCHEDULED PROPERTY

*Total Limit of Scheduled and Unscheduled Property*     \$ 2,748,300.

*Deductible Per Occurrence*     \$ 500.

### *Replacement Cost Basis*

#### *Summary of Coverage:*

1. *Additional Acquired Equipment - 25% of Total Scheduled Property, or \$ 250,000 whichever is less.*
2. *Misc Property & Equipment - \$ 50,000*
3. *Contractor's Equipment Rented from Others - \$ 125,000*
4. *See Schedule of Property Covered*

## VIII. FIDELITY & CRIME COVERAGE

### A. Money & Securities:

1. Theft, Disappearance & Destruction, On Premises \$ 100,000.
2. Theft, Disappearance & Destruction, Off Premises \$ 100,000.
3. Deductible - \$ -0-

### B. Employee Blanket Dishonesty Bond:

1. Limit of Liability - \$ 100,000.
2. Includes "Faithful Performance"
3. Deductible - \$ -0-

### C. Forgery and Alteration - \$ 100,000.

### D. Computer Fraud - \$ 100,000.

### E. Public Official Bonds

### Additionally Covered:

- A. Coverage Outside while in the Care, Custody, or Control of a Messenger,
- B. Coverage while it is being Conveyed by an Armored Car Company,
- C. Coverage while it is within the Living Quarters or the Home of any Messenger or Collector, and
- D. Locations Included: All Owned Named Insured Premises and All Officials' Homes and /or any Other off Premise Collection Location.

## *IX. BOILER & MACHINERY COVERAGE*

<i>A. Occurrence Form Liability Limit</i>	<i>\$ Total Property Limit</i>
<i>B. Property Damage Liability</i>	<i>Included</i>
<i>C. Business Income Interruption</i>	<i>\$ 100,000.</i>
<i>D. Consequential Damage / Spoilage</i>	<i>\$ 100,000.</i>
<i>E. Off Premises Service Interruption</i>	<i>\$ 100,000.</i>
<i>F. Ammonia Contamination</i>	<i>\$ 100,000.</i>
<i>G. Water Damage</i>	<i>\$ 100,000.</i>
<i>H. Ordinance or Law</i>	<i>\$ 250,000.</i>
<i>I. Hazardous Substances</i>	<i>\$ 100,000.</i>
<i>J. Deductible - \$ 1,000.00, Except \$ 2,500 for Sewer/Water Plant Spoilage Damage Deductible - 10% of Loss, with \$ 2,500 Minimum Utility Interruption - 24 Hour Deductible</i>	

## City of Novi

### *Premium Summary*

I.	Comprehensive Municipal Liability	Included
II.	Wrongful Acts (E&O) Liability	Included
III.	Law Enforcement Liability	Included
IV.	Automobile Liability	Included
V.	Automobile Physical Damage	Included
VI.	Real & Personal Property	Included
VII.	Scheduled & Unscheduled Property	Included
VIII.	Crime & Fidelity Coverage	Included
IX.	Boiler & Machinery Coverage	Included

***Total Policy Period Premium***

***\$ 339,803.00***

***“This proposal contains a brief outline of coverage to be included in any policy that may be issued in the future. This is only a summary and the terms and conditions of any policy issued will take precedence over the proposal.”***