

cityofnovi.org

CITY of NOVI CITY COUNCIL

**Agenda Item 4
June 8, 2015**

SUBJECT: Approval to renew the City's 2015-16 Property and Liability Insurance coverage with the Stevenson Company in the amount of \$326,724.

SUBMITTING DEPARTMENT: City Clerk *mc*

CITY MANAGER APPROVAL: *[Signature]*

EXPENDITURE REQUIRED	\$326,724
AMOUNT BUDGETED	\$362,935
	101-210.00-910.000 \$300,000
	268-000.00-910.000 \$ 14,300
	590-000.00-910.000 \$ 10,650
	592-592.00-910.000 \$ 14,555
	594-000.00-910.000 \$ 23,430
APPROPRIATION REQUIRED	NONE
LINE ITEM NUMBER	N/A

BACKGROUND INFORMATION:

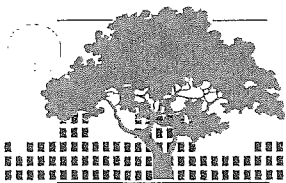
The Stevenson Company has provided the City with Property and Liability Insurance coverage since 2004. The coverage period is July 1 through June 30th. This coverage includes City owned property, buildings and equipment (large equipment including DPS and Fire equipment), its employees, elected officials and volunteers. Also included through this coverage is Special Events Liability, Medical Services, Professional Liability, Wrongful Acts (Errors and Omissions), Regulatory takings/Inverse condemnation coverage and Sewer Backup Liability coverage.

The coverage includes the Library, Ice Arena, Meadowbrook Commons and the Water Fund. Each of these entities, by way of separate line item numbers, reimburse the General Fund in the appropriate premium amounts. The underwriters use the following to provide rates: (a) claims experience (b) budget (c) number of total staff (d) number of police staff and number of firefighters and (f) property valuations (land, building, equipment, vehicles, gasoline storage tanks, etc.). The premium this fiscal year increased from last year's premium due to claims for sewer backup incidents and litigation settlement.

RECOMMENDED ACTION: Approval to renew the City's 2015-16 Property and Liability Insurance coverage with the Stevenson Company in the amount of \$326,724.

	1	2	Y	N
Mayor Gatt				
Mayor Pro Tem Staudt				
Council Member Casey				
Council Member Markham				

	1	2	Y	N
Council Member Mutch				
Council Member Poupard				
Council Member Wrobel				



STEVENSON
company

May 26, 2015

43422 West Oaks Drive, Suite 300

Novi, MI 48377

248.650.2736 / MAIN

248.650.2740 / FAX

800.761.8895 / TOLL FREE

Ms. Maryanne Cornelius

City Clerk

City of Novi

45175 W. Ten Mile Road

Novi, Michigan 48375

Dear Ms. Cornelius:

Thank you for the opportunity to provide the renewal risk management program for the City of Novi.

The HCC Public Risk Program is underwritten by the U.S. Specialty Insurance Company. They have a financial rating from A.M. BEST of A+ XV (Superior). The program headquarters are in Auburn Hills, Michigan where underwriting, claims, risk control and internet technology services are provided to the membership

Enclosed is the renewal summary as well as the invoice, schedules, certificates application and terrorism forms. The following are the premium by line of coverage:

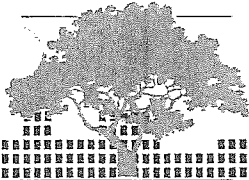
- *Property including Mechanical Breakdown - \$ 68,914.00*
- *Inland Marine (Equipment) - \$ 6,742.00*
- *Canine Liability and Death Benefit - \$ 27.00*
- *Volunteer Accident and Medical - \$ 300.00*
- *Blanket Bond and Crime - \$ 4,097.00*
- *Comprehensive General Liability - \$ 53,270.00*
- *Wrongful Acts (E&O) - \$ 27,884.00*
- *Employment Practices Liability - \$ 5,933.00*
- *Law Enforcement Liability - \$ 25,676.00*
- *Vehicle Liability - \$ 60,444.00*
- *Vehicle Physical Damage - \$ 63,996.00*
- *FIRE/EMS Replacement Cost Physical Damage - \$ 9,441.00*

Should you have any questions or concerns please do not hesitate to call our office at 800-761-8895. Thank you for your support and confidence in our program.

Very truly yours,

*Robert J. Bucko
President*

Enc.



STEVENSON
company

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*Ms. Maryanne Cornelius
City Clerk
City of Novi
45175 W. Ten Mile Road
Novi, Michigan 48375*

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Enclosed is the renewal summary as well as the invoice, schedules, certificates application and terrorism forms. The following are the premium requested for the Library, Water Department, Ice Arena, and Meadowbrook Commons:

- Library - \$ 13,464.00*
- Water Department - \$ 14,046.00*
- Ice Arena - \$ 10,064.00*
- Meadowbrook Commons - \$ 21,478.00*

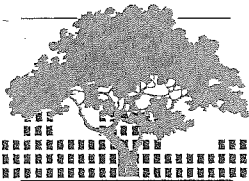
Today, over 1,700 public entities have selected our risk management programs in Michigan. To learn more about our risk management programs you can log onto www.hccpublicrisk.com.

Should you have any questions or concerns please do not hesitate to call our office at 800-761-8895. Thank you for your support and confidence in our program.

Very truly yours,

*Robert J. Bucko
President*

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The Stevenson Company

Account Statement

Date: May 27, 2015

Named Insured: City of Novi
Attn: Maryanne Cornelius, Clerk
45175 W. Ten Mile Road
Novi, Michigan 48375

<i>Coverage Document</i>	<i>Policy Number</i>	<i>Dates</i>	<i>Premium</i>
H.C.C. Public Risk	PKG80910059	07/01/2015-16	\$ 271,339.00
Volunteer Accident & Medical			300.00
Stevenson Company Risk Management Services			37,235.00
State of Michigan (MCCA Charge – Vehicles)			17,850.00
Total Contract Cost:			\$ 326,724.00

The charges listed above have been provided to clarify the services provided and charges by the Stevenson Company. As you know, we have been an active partner with City of Novi working in many ways to help evaluate and manage potential risks, as well as arranging for comprehensive cost-effective coverage. In the past, we have sent an invoice for a single fee that included our program's charge for risk management services and other services including insurance premiums. The breakdown above is provided to keep you fully informed.

Please contact me if you have any questions. I would appreciate if you would sign this form and return it with your payment. Please retain a copy for your records.

Name

Date

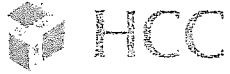
Premium Due Date:

July 6, 2015

Please make check payable to:

The Stevenson Company
43422 West Oaks Drive, # 300
Novi, Michigan 48377

Phone: 800-761-8895



HCC Public Risk Michigan

Quote Date: 05/26/2015
Quote for: CITY OF NOVI
Policy Term: 07/01/2015 - 07/01/2016
Payment Plan:
Company: U.S. Specialty Insurance Company
Policy #: PKG80910059

General Liability - Occurrence Form

Subject to \$1,000,000 per Occurrence / \$1,000,000 Aggregate
Subject to \$10,000 Deductible Including Claims Expense
Deductible Applies to: Bodily Injury/Property Damage
Basis of Deductible: Per Occurrence
Sexual Abuse Endorsement - No Coverage
Damage to Premises Rented to you \$50,000 **Subject to \$10,000 Deductible**
Medical Payments \$10,000
Cemetery Professional - Included **Subject to \$10,000 Deductible**
Pesticide or Herbicide \$50,000 per Occurrence / \$50,000 Aggregate
Nurses Professional - No Coverage
Failure of Dam, Reservoir, Levee, Dike Coverage - No Coverage
Emergency Response Operations - Included
Mutual Aid Property Damage - \$10,000
Designated Operations - Insured HOUSING COMMISSON
Sewer Backup Liability \$1,000,000 per Occurrence / \$1,000,000 Aggregate
Subject to \$0 per claimant limitation
Subject to \$2,500 per claimant deductible - Including Claims Expense
GL Prior Time Coverage - No Coverage

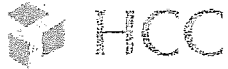
Special Events: Subject to receipt of Special Events Application, Risk Control review and Underwriting approval (Additional Premium may apply)

Fireworks Liability: Subject to receipt of Special Events Application, Risk Control review and Underwriting approval prior to binding coverage (Additional Premium will apply)

Employee Benefits - Occurrence Form

Subject to \$1,000,000 per Occurrence / \$1,000,000 Aggregate
Subject to \$1,000 Deductible Including Claims Expense
Designated Operations - Insured HOUSING COMMISSOIN
EB Prior Time Coverage - No Coverage

Liquor Liability - Coverage limited to Host Liquor



HCC Public Risk Michigan

Public Officials Wrongful Acts Liability - Occurrence Form

Subject to \$1,000,000 per Occurrence / \$1,000,000 Aggregate
Subject to \$50,000 Deductible - Including Claims Expense
Designated Operations - Insured HOUSING COMMISSION
Non-Monetary Damage - No Coverage
Zoning \$1,000,000 per Occurrence / \$1,000,000 Aggregate - Defense inside Limit
Subject to Public Officials Wrongful Acts Deductible or SIR

Employment Practices Liability Insurance - Occurrence Form

Subject to \$1,000,000 per Occurrence / \$1,000,000 Aggregate
Subject to \$50,000 Deductible - Including Claims Expense
Designated Operations - Insured NOVI HOUSING COMMISSION
Non-Monetary Damage \$10,000 Per Suit / \$25,000 Per Policy Limit
Back Wages - \$50,000
EPLI Deductible / SIR Applies

Law Enforcement Liability - Occurrence Form

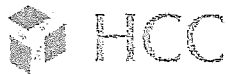
Subject to \$1,000,000 per Occurrence / \$1,000,000 Aggregate
Subject to \$50,000 Deductible - Including Claims Expense
Designated Operations - Insured HOUSING COMMISSION
Non-Monetary Damage - No Coverage

Excess Liability

Coverage applies to General Liability, Employee Benefits, Public Officials Wrongful Acts, Employment Practices, Law Enforcement, Auto Liability and Employers Legal Liability
Excludes Uninsured Motorist and Underinsured Motorist Coverage
Subject to \$9,000,000 per Occurrence / \$9,000,000 Aggregate
Failure to Supply Exclusion Applies
Abuse or Molestation Exclusion Applies
Pollution Exclusion Exception - Pollution with Sewer, Potable Water and Hostile Fire
Dam, Reservoir, Levee, Dike: No Coverage
Employers Legal Liability - No Coverage

Property

Total Building and Contents Limit	\$76,345,940 Subject to: \$10,000 Deductible
Inflation Guard	2%
Blanket Basis	Included
Agreed Amount	Included
Building Valuation—per schedule on file with company	Replacement Cost,
Special Form	Included
Accounts Receivable	\$250,000 any one occurrence
Animal Mortality	\$25,000 any one occurrence
Building Ordinance or Law	\$500,000 Undamaged portion / or demolition 10% of reported values (Increased cost of construction)
Business Income	\$100,000 any one occurrence
Extra Expense	\$500,000 any one occurrence
Communication Towers	No Coverage
Debris Removal	25% of Loss + \$10,000 any one occurrence

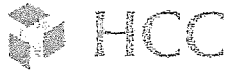


HCC Public Risk Michigan

Electrical Utility Service Interruption	\$25,000 any one occurrence
EDP Coverage	No Coverage
Fairs and Festivals Arts	\$50,000 any one occurrence
Fine Arts	\$5,000 any one item, \$25,000 any one occurrence
Fire Department Service Charge	\$5,000 for your liability
Foundations of Machinery	\$500,000 any one occurrence
Fire Equipment Recharge	\$5,000 for each separate 12 month period
Golf Course Greens	\$100,000 any one occurrence
Ground Maintenance Equipment	\$100,000 any one occurrence
Inventory or Appraisal	\$10,000 any one claim
Newly Acquired or Constructed Prop – Bldg	\$1,000,000 at each building
Newly Acquired or Constructed Prop – Contents	\$250,000 at each building
Paved Surfaces	\$100,000 any one occurrence
Personal Effects – Property of Others	\$15,000 any one employee or volunteer
Property in Transit	\$25,000 any one occurrence
Property off Premises	\$100,000 any one occurrence
Underground Pipes, Flues or Drains	\$1,000,000 and one occurrence
Valuable Papers & Records – Cost to Research	\$100,000 any one occurrence
Water Back Up – Sewer or Drain	\$25,000 for direct physical loss or damage
Unnamed Locations	No Coverage
Expediting Expense	No Coverage
Earthquake Coverage	\$2,000,000 subject to \$50,000 Deductible
Flood Coverage	\$2,000,000 subject to \$50,000 Deductible
(Any location in the following flood zones are excluded: Flood Zones A, A1 - A30, A99, AE, AO, AH, AR, AR/A, AR/AE, AR/A1 to A30, AR/AH, AR/AO, V1 to V30, VE, XFUT, B, SB and X500)	
Equipment & Mechanical Breakdown (Boiler)	Included Subject to: \$10,000 Deductible

Automobile

Based on 140 vehicles - Schedule on file with Company
 Subject to \$1,000,000 Liability Limit
Subject to \$10,000 Deductible Including Claims Expense
 Emergency Vehicle Endorsement - Standard Form
 \$1,000,000 Uninsured Motorist Coverage limit
 \$1,000,000 Underinsured Motorist Coverage limit
 Hired and Non Owned Automobile Liability
 Hired Auto Physical Damage
 Personal Injury Protection - Included
 Property Protection Insurance - Included
 Mini-Tort Liability - Included
 Physical Damage per schedule on file with company
 Comprehensive Deductible: \$2,500
 Collision Deductible: \$2,500
 Physical Damage to Volunteers or Employees Personal Auto
 Garage Keepers Legal - No Coverage
 Impound Vehicles Coverage - No Coverage



HCC Public Risk Michigan

Inland Marine

Subject to \$1,000 Deductible

Scheduled Contractors Equipment – Per Schedule on file with company	\$2,523,800
Valuation: Replacement Cost - per schedule on file	
	90% Coinsurance
Misc. Property & Equipment	\$100,000
No single item to exceed \$25,000 in value	
Emergency Portable Equipment	\$200,000
Valuation Replacement Cost applies to Misc. Property & Equipment and Emergency Portable Equipment	
Contractors Equipment Rented From Others less than 90 days	\$400,000
Rental Reimbursement	\$10,000
Aircraft Non-Operating Shell	\$0
Total Limit	\$3,223,800

EDP

Total Limit	\$800,000
Subject to \$2,500	
System Breakdown Coverage	Included
Loss of Business Income	\$100,000
Extra Expense	\$100,000
Media Coverage	\$200,000

Crime

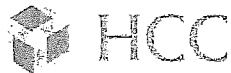
Coverage Form B, C & F Subject to: \$1,000 Deductible

B. Forgery or Alteration	No Coverage
C. Theft, Disappearance and Destruction In/Out	\$100,000
Tax Time Limit	\$100,000
F. Computer Fraud	\$100,000

Coverage Form O & P Subject to: \$1,000 Deductible

O. Employee Dishonesty – Per Loss	\$100,000
P. Employee Dishonesty – Per Employee	No Coverage
Includes Faithful Performance	

Annual Package Premium	\$ 271,339.00
MCCA Charge (State of Michigan)	17,850.00
Stevenson Company Risk Management Services	37,235.00
Volunteer Accident & Medical (QBE Insurance)	300.00
Total Contract Cost:	\$ 326,724.00



HCC Public Risk Michigan

****Note: Terrorism option and optional quoted premiums are not included in installment plan premiums.**

****Note: Mold, Fungi & Bacterial Exclusion Included**

****Note: All SIR's Include Loss, Loss Adjustment Expense and Supplementary Payments**

****Note: Failure of any Dam, Levee or Dike Exclusion Included**

****Note: Accounts cannot be brokered**

Limited Terrorism coverage and pricing subject to the Terrorism Risk Insurance Act as amended in 2015.

TRIA DOES NOT APPLY TO AUTO LIABILITY, AUTO PHYSICAL DAMAGE, CRIME, EMPLOYEE BENEFITS, PUBLIC OFFICIALS WRONGFUL ACTS LIABILITY OR LAW ENFORCEMENT

U.S. Specialty Insurance Company, Additional premium for limited terrorism coverage (not included in above package quote):

CASUALTY LIMITED TERRORISM COVERAGE (ACT OF 2015)	\$736
PROPERTY LIMITED TERRORISM COVERAGE (ACT OF 2015)	\$1,277

Optional Quotes and Premium:

Special Conditions:

QUOTE GOOD FOR 30 DAYS ONLY ENTIRE QUOTE SUBJECT TO THE TERMS AND CONDITIONS OF THE POLICY.