

**CITY of NOVI CITY COUNCIL**

**Agenda Item 3  
June 18, 2012**

**SUBJECT:** Approval to renew the City's Property and Liability Insurance coverage to the Stevenson Company, HCC Public Risk Claim Service/U.S. Specialty Insurance Company, in the annual amount of \$287,492.

**SUBMITTING DEPARTMENT:** Human Resources/Finance

**CITY MANAGER APPROVAL** 

<b>EXPENDITURE REQUIRED</b>	<b>\$287,492</b>
<b>AMOUNT BUDGETED</b>	<b>\$337,380 (for all policies)</b>
<b>LINE ITEM NUMBER</b>	<b>101-299.00-910 and all other 910 accounts in other funds.</b>

**BACKGROUND INFORMATION:**

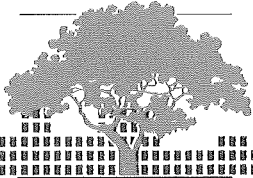
The Stevenson Company has provided the City with Property and Liability Insurance since 2003. This coverage includes City owned property, buildings, and equipment (large equipment including DPS and Fire equipment) its employees, elected officials, and volunteers. Also included through this coverage is Special Events Liability, Medical Services Professional Liability, Wrongful Acts (Errors and Omissions) and Sewer Backup Liability coverage.

The underwriters use the following to provide rates: (a) claims experience, (b) budget, (c) no. of total staff, (d) no. of police staff, (e) no. of firefighters, and (f) property valuations (land, building, equipment vehicles, etc.). The City's annual premium decreased slightly from 2011, by \$1,952. The annual premium rate for the 2011/12 fiscal year was \$289,444.

**RECOMMENDED ACTION:** Approval to renew the City's Property and Liability Insurance coverage to the Stevenson Company, HCC Public Risk Claim Service/U.S. Specialty Insurance Company, in the annual amount of \$287,492.

	<b>1</b>	<b>2</b>	<b>Y</b>	<b>N</b>
<b>Mayor Gatt</b>				
<b>Mayor Pro Tem Staudt</b>				
<b>Council Member Casey</b>				
<b>Council Member Fischer</b>				

	<b>1</b>	<b>2</b>	<b>Y</b>	<b>N</b>
<b>Council Member Margolis</b>				
<b>Council Member Mutch</b>				
<b>Council Member Wrobel</b>				



STEVENS ON  
company

127 W. University Drive  
Rochester, MI 48307

248.650.2736 / MAIN

248.650.2740 / FAX

800.761.8895 / TOLL FREE

June 6, 2012

*Ms. Tia Gronlund-Fox  
Director of Human Resources  
City of Novi  
45175 W. Ten Mile Road  
Novi, Michigan 48375*

*Re: Risk Management Renewal*

*Dear Ms. Gronlund-Fox*

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

*Enclosed are the renewal certificates, vehicle "no-fault" forms, schedules and policy invoice. This year's premium is again a reduction although the State of Michigan has once again hiked the MCCA charge on vehicles.*

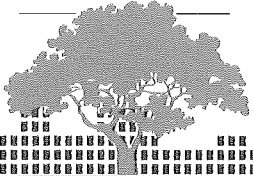
*The coverage is underwritten by U.S. Specialty Insurance, rated A+ by both A.M. BEST and Standard & Poor's. It is the only national carrier with its public entity program headquartered in Michigan. They employ over 200 underwriters, claim adjusters, risk control specialists, risk managers, IT personnel and attorneys.*

*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  
Risk Manager*

*Enc.*



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*The Stevenson Company*  
Account Statement

*Date: June 6, 2012*

*Named Insured: City of Novi*  
*Attn: Tia Gronlund-Fox*  
*45175 West Ten Mile Road*  
*Novi, Michigan 48375*

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<i>Coverage Document</i>	<i>Policy Number</i>	<i>Date of Coverage</i>	<i>Premium</i>
<i>Alliance – HCC Public Risk</i>	<i>PKG80610059</i>	<i>7-1-2012/2013</i>	<i>\$ 287,492.00</i>
<i>Total Premium Due</i>			<i>\$ 287,492.00</i>

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*Premium Due Date: July 1, 2012*

*Please make check payable to: Stevenson Company*  
*127 W. University Drive*  
*Rochester, Michigan 48307*