

**CITY of NOVI CITY COUNCIL**

**Agenda Item 1  
June 2, 2014**

**SUBJECT:** Approval to renew the City's 2014-15 Property and Liability Insurance coverage with the Stevenson Company in the amount of \$329,066.

**SUBMITTING DEPARTMENT:** City Clerk *me*

**CITY MANAGER APPROVAL:** *[Signature]*

<b>EXPENDITURE REQUIRED</b>	<b>\$329,066</b>
<b>AMOUNT BUDGETED</b>	<b>\$329,066</b>
	101-299.00-910.000 \$270,685
	268-000.00-910.000 \$13,000
	590-000.00-910.000 \$9,952
	592-000.00-910.000 \$13,548
	594-000.00-910.000 \$21,881
<b>APPROPRIATION REQUIRED</b>	<b>NONE</b>
<b>LINE ITEM NUMBER</b>	<b>N/A</b>

**BACKGROUND INFORMATION:**

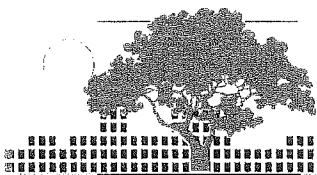
The Stevenson Company has provided the City with Property and Liability Insurance coverage since 2004. The coverage period is July 1 through June 30<sup>th</sup>. This coverage includes City owned property, buildings and equipment (large equipment including DPS and Fire equipment), its employees, elected 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 2014-15 Property and Liability Insurance coverage with the Stevenson Company in the amount of \$329,066.

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

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



STEVENSON  
company

127 W. University Drive  
Rochester, MI 48307

248.650.2736 / MAIN

248.650.2740 / FAX

800.761.8895 / TOLL FREE

## Stevenson Company

### Account Statement

Date: May 12, 2014

Named Insured: City of Novi  
Attn: Maryanne Cornelius, Clerk  
45175 West Ten Mile Road  
Novi, Michigan 48374

Coverage Document	Policy Number	Date of Coverage	Premium
HCC Public Risk	PKG80810059	7-1-2014/2015	\$ 329,066.00

*Premium Summary:*

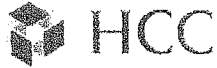
Real & Personal Property - \$ 67,517.00  
 Inland Marine - \$ 6,537.00  
 Canine Liability & Life Benefit - \$ 27.00  
 Blanket Bond & Crime - \$ 4,042.00  
 Premises & Operations Liability - \$ 50,992.00  
 Wrongful Acts (E&O) Liability - \$ 28,558.00  
 Employment Practices Liability - \$ 5,450.00  
 Law Enforcement Liability - \$ 36,944.00  
 Vehicle Liability - \$ 58,622.00  
 Vehicle Physical Damage - \$ 62,236.00  
 Fire/EMS Replacement Cost - \$ 8,141.00

Total Premium Due \$ 329,066.00

Premium Statement: July 1, 2014

Please make check payable to: Stevenson Company  
43422 West Oaks Drive, # 300  
Novi, Michigan 48377

\*\* New Address \*\*



## HCC Public Risk Michigan

Quote Date: **May 14, 2014**  
Quote for: **CITY OF NOVI**  
Policy Term: **07/01/2014 - 07/01/2015**  
Payment Plan:  
Company: **U.S. Specialty Insurance Company**  
Policy #: **PKG80810059**

### General Liability - Occurrence Form

Subject to \$1,000,000 per Occurrence / \$1,000,000 Aggregate  
**Subject to \$10,000 Deductible including loss and loss adjustment expense**  
Deductible Applies to: Bodily Injury/Property Damage  
Basis of Deductible: Per Occurrence  
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 - No Coverage

Employee Benefits - Occurrence Form - Subject to \$1,000,000 per Occurrence / \$1,000,000 Aggregate  
**Subject to \$1,000 Deductible including loss and loss adjustment expenses**

Sewer Backup Liability \$500,000 per Occurrence / \$1,000,000 Aggregate  
Subject to \$25,000 per claimant limitation  
Subject to \$2,500 per claimant deductible - includes loss and loss adjustment expense

**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)**

### Wrongful Acts Liability including Employment Practices Liability - Occurrence Form

Subject to \$1,000,000 per Occurrence / \$1,000,000 Aggregate  
**Subject to \$50,000 Deductible including loss and loss adjustment expense**

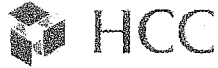
### Law Enforcement Liability - Occurrence Form

Subject to \$1,000,000 per Occurrence / \$1,000,000 Aggregate  
**Subject to \$50,000 Deductible including loss and loss adjustment expense**

### Excess Liability

Coverage applies to General Liability, Employee Benefits, Wrongful Acts, Law Enforcement, Auto Liability  
Excludes Uninsured Motorist and Underinsured Motorist Coverage  
Subject to \$9,000,000 per Occurrence / \$9,000,000 Aggregate  
**Subject to \$10,000 SIR**

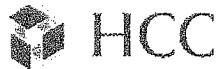
Employers Legal Liability - No Coverage



## HCC Public Risk Michigan

**Property**

Total Building and Contents Limit	\$74,946,697
	90% Coinsurance
<b>Subject to:</b>	<b>\$5,000 Deductible</b>
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
Back Up of Sewer or Drains	\$25,000 any one occurrence
<b>Blanket Portable Equipment</b>	<b>\$350,000 any one occurrence</b>
<b>Building Ordinance or Law</b>	<b>\$1,000,000 Undamaged portion / or demolition</b>
	10% of reported values (Increased cost of construction)
Business Income	\$100,000 any one occurrence
Extra Expense	\$500,000 any one occurrence
Communication Towers	\$100,000 any one occurrence
Debris Removal	25% of direct physical loss or damage to covered property
<b>EDP Coverage</b>	<b>No Coverage-See separate EDP section</b>
Electrical Utility Service Interruption	\$25,000 any one occurrence
Fine Arts	\$25,000 any one occurrence
Fire Department Service Charge	\$5,000 for your liability
Fire Equipment Recharge	\$5,000 for each separate 12 month period
Foundations of Machinery	\$500,000 any one occurrence
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 for 180 days at each building
Newly Acquired or Constructed Prop – Contents	\$250,000 at each building
Outdoor Property – Specifically Listed Items	\$10,000 any one occurrence; Limited Perils
Outdoor Property – All Other Items	\$5,000 any one occurrence; Limited Perils
Personal Effects – Property of Others	\$1,000 for personal property of any one employee or volunteer
	\$50,000 any one occurrence
	\$15,000 any one occurrence for property of others
Property in Transit	\$25,000 any one occurrence
Property off Premises	\$100,000 any one occurrence
Underground Pipes, Flues or Drains	\$1,000,000 any one occurrence
Valuable Papers & Records – Cost to Research	\$250,000 any one occurrence
Earthquake Coverage	<b>\$5,000,000 subject to \$25,000 Deductible</b>
Flood Coverage	<b>\$5,000,000 subject to \$50,000 Deductible</b>
(Any location in the following flood zones is excluded: Flood Zones A, AO, AH, A1-A30, A99, V and V1-V30)	
Equipment & Mechanical Breakdown (Boiler)	Included
	<b>Subject to: \$5,000 Deductible</b>



## HCC Public Risk Michigan

### Automobile

Based on 145 vehicles - Schedule on file with Company  
 Subject to \$1,000,000 Liability Limit  
**Subject to \$10,000 Deductible including loss and loss adjustment expense**  
 \$1,000,000 Uninsured / Underinsured Motorist coverage limit  
 Hired and Non Owned Automobile Liability  
 Personal Injury Protection - Included  
 Property Protection Insurance - Included  
 Mini-Tort Liability - Included  
 Physical Damage per schedule on file with company  
     Comprehensive Deductible: \$1,000  
     Collision Deductible: \$2,500  
 Hired Auto Physical Damage Coverage Limit \$35,000 subject to deductibles per schedule on file with company  
 Physical Damage to Volunteers or Employees Personal Auto

Garage Keepers Legal - No Coverage  
 Impound Vehicles Coverage - No Coverage

### Inland Marine

**Subject to \$1,000 Deductible**

Scheduled Contractors Equipment – Per Schedule on file with company	\$2,498,800
Valuation: Replacement Cost - per schedule on file	
Misc. Property & Equipment	\$100,000
Valuation Replacement Cost	
Contractors Equipment Rented From Others less than 90 days	\$150,000
Flood Limit	No Coverage
Earthquake Limit	No Coverage
<b>Total Limit</b>	<b>\$2,748,800</b>

### EDP

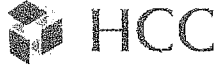
Total Limit	\$800,000
<b>Subject to \$2,500 Deductible</b>	
System Breakdown Coverage	Included
Loss of Business Income	\$100,000
Extra Expense	\$100,000
Media Coverage	\$200,000

### Crime

**Coverage Form B, C & F Subject to: \$500 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
<b>Coverage Form O &amp; P Subject to: \$500 Deductible</b>	
O. Employee Dishonesty – Per Loss	\$100,000
P. Employee Dishonesty – Per Employee	No Coverage

Includes Faithful Performance



## HCC Public Risk Michigan

Sub Total Premium:	\$ 304,710
MCCA:	24,356
Annual Package Premium:	\$ 329,066

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

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

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

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

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You declined terrorism coverage for the expiring policy period. We have, therefore, not included a quotation for terrorism coverage for the renewal period and your signed declination of terrorism insurance will remain in effect as long as you are insured by this company and until you rescind the declination in writing. If you would like the above quotation to include insurance for terrorism, or if you would like to know more about terrorism coverage options available to you, please advise your agent.

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**Special Conditions:**

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