



cityofnovi.org

CITY of NOVI CITY COUNCIL

Agenda Item 7
June 1, 2009

SUBJECT: Approval to award the City's Property and Liability Insurance coverage to The Stevenson Company/Municipal Insurance Alliance in the amount of \$324,800.

SUBMITTING DEPARTMENT: Human Resources/Finance

CITY MANAGER APPROVAL

EXPENDITURE REQUIRED	\$324,800
AMOUNT BUDGETED	\$340,700 (all funds)
LINE ITEM NUMBER	101-299.00-910.000 (and 910 accounts in other funds)

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 City did seek competitive quotes for these services in April of 2008, the low bidder being the Stevenson Company. The quoted premium for 2009/10 by the Stevenson Company/Municipal Insurance Alliance for the City's Property and Liability Insurance coverage is \$324,800, approximately 4.5% less than the 2008/09 premium of \$339,803.

RECOMMENDED ACTION:

Award of the City's Property and Liability Insurance coverage to The Stevenson Company/Municipal Insurance Alliance in the amount of \$324,800.

	1	2	Y	N
Mayor Landry				
Mayor Pro Tem Gatt				
Council Member Burke				
Council Member Crawford				

	1	2	Y	N
Council Member Margolis				
Council Member Mutch				
Council Member Staudt				

Municipal Insurance Alliance

Summary of Coverage

for

City of Novi

May, 2009

*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

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*

Insurance Companies:

*U.S. Specialty Insurance Company
HCC Holdings Company*

BEST RATING A +

I. COMPREHENSIVE MUNICIPAL LIABILITY

Limit of Liability Per Occurrence **\$ 10,000,000.**

Deductible **\$ 10,000.**

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) - \$ 1,000,000 Any One Fire**
- N. Medical Services Professional Liability.**
- O. Non-Owned & Hired Automobile Liability**
- P. Employee Benefits Liability - \$ 1,000,000 Per Claim,
\$ 3,000,000 Policy Aggregate
\$ 1,000 Deductible**
- Q. Sewer Backup Liability - \$ 500,000 Each Occurrence, \$ 1,000,000 Aggregate
\$ 1,000.00 Deductible**
- R. Pesticide & Herbicide Liability - \$ 50,000 Each Occurrence**

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

Limit of Liability Each Occurrence \$ *10,000,000.*

Deductible Including Loss Adjustment \$ *50,000.*

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 Policy Limits for Zoning including "Temporary Takings"*

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.
Vehicles are Actual Cash Value less a \$ 1,000.00 Deductible (Broad Form

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**

VII. SCHEDULED & UNSCHEDULED PROPERTY

Total Limit of Scheduled and Unscheduled Property \$ 2,798,300.

Deductible Per Occurrence \$ 500.

Replacement Cost Basis

Summary of Coverage:

- 1. Misc Property & Equipment - \$ 50,000*
- 2. Contractor's Equipment Rented from Others - \$ 125,000*
- 3. Canine Coverage - \$ 25,000 (In Line of Duty)*
- 4. See Attached For Complete List of Equipment*

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 - \$ 250.00*

C. Computer Fraud - \$ 100,000.

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>\$ 500,000.</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. Refrigerant Contamination</i>	<i>\$ 100,000.</i>
<i>K. "Fungus" Wet Rot & Dry Rot</i>	<i>\$ 15,000.</i>
<i>L. Deductible - \$ 1,000.00</i>	
<i>Air Conditioning & Refrigeration System - \$ 50 Per HP, \$ 2,500 Minimum</i>	
<i>Spoilage Damage Deductible - 10% of Loss, with \$ 2,500 Minimum</i>	
<i>Utility Interruption - 24 Hour Deductible</i>	

City of Novi

Premium Summary

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

Total Policy Period Premium

\$ 324,800.00

“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.”