



michigan municipal league

Liability & Property Pool

Proposal

for the

City of Lathrup Village

.Presented By:

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July 16, 2021

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This proposal is intended to be only a summary of coverages and services. For specific details on coverage terms and conditions, please refer to the Michigan Municipal League Liability and Property Pool coverage document.

Executive Overview

The Michigan Municipal League Liability and Property Pool has been a stable source of comprehensive municipal insurance and risk management services since 1982. It is financially secure and positioned for long-term stability.

The **City of Lathrup Village** has been a Pool member since **July 1, 1995**.

The Pool staff is made up of municipal insurance experts. Municipal risk management is our only business, and we're proud of it!

The Pool provides insurance coverage designed specifically for Michigan municipal exposures, combined with a package of loss control programs, claims administration, legal defense, and membership services that you won't find anywhere else in Michigan.

This quotation is based on the limits of coverage requested by the **City of Lathrup Village**. Higher limits may be available, subject to underwriting review by Pool Management. Please submit requests for higher limits in writing to your Account Executive. Your request will be considered by Pool Management.

The insurance and related services described more fully in this proposal are being offered to the **City of Lathrup Village** for an annual premium of **\$88,437**. When compared to last year's cost of \$84,064, it represents a premium increase of \$4,373, or 5.2%. (In addition, the MML Liability & Property Pool Board of Trustees voted to return another post-renewal dividend for Members renewing in 2021. The City's portion of the dividend return is \$5,609. The City will receive this dividend in the month following payment of your 2021 renewal premium.)

We encourage you to compare the Pool with our competition. Compare us based on price, coverage, service, financial security, experience, and commitment to municipal risk management. When you do, the advantages of Pool membership become clear.

Thank you for being a Pool member. We look forward to servicing your risk management program for many years to come.

Our Mission

To be a long-term, stable, cost-effective risk management alternative for members of the Michigan Municipal League Liability and Property Pool.

Introduction

What You Can Expect of Us

- ✓ A commitment to learn, understand and respond to your insurance needs;
- ✓ Continuous planning and innovation in product development and service delivery;
- ✓ Products that meet your needs in terms of price, coverage and service;
- ✓ Prompt, accurate, and courteous response to your questions, problems, and claims;
and
- ✓ Knowledgeable and professional staff serving your needs consistently and with integrity.

Your Pool Insures More Than . . .

- | | |
|--------------------------------|----------------------------------|
| ✓ 433 Public Entity Members | ✓ 195 Water Utilities |
| ✓ 139 Fire Departments | ✓ 218 Sewer Utilities |
| ✓ 170 Law Enforcement Agencies | ✓ 24 Municipal Marinas |
| ✓ 2,195 Police Officers | ✓ \$5 Billion of Property Values |
| ✓ 5,772 Miles of Streets/Roads | ✓ 206 Water Service Operations |
| ✓ 6,950 Vehicles | ✓ 17 Dams |
| ✓ 16 Electric Utilities | |



Coverage and Cost Summary City Of Lathrup Village

Effective 09-01-2021 to 09-01-2022

Coverages	Limit of Liability	Aggregate Limit	Per Occurrence Deductible
Municipal General Liability (Coverage A)	\$5,000,000	N/A	\$0
Sewer Back-Up Sublimit	\$100,000	\$100,000	\$0
Personal Injury Liability (Coverage B)	\$5,000,000	N/A	\$0
Medical Payments (Coverage C)	\$10,000	N/A	N/A
Public Officials Liability (Coverage D)	\$5,000,000	N/A	\$0
Law Enforcement Liability (Coverages A, B, and D)	\$5,000,000	N/A	\$0
Employee Benefit Liability	\$1,000,000	\$1,000,000	\$0
Fire Legal Liability	\$100,000	N/A	N/A
Cyber Liability & Data Breach Response	\$100,000	\$100,000	See Declaration
Dam Liability	No Coverage	N/A	N/A
Marina Operator Liability	No Coverage	N/A	N/A
Uninsured/Underinsured Motorists Coverage	\$100,000	N/A	\$0
Automobile Liability (Coverages A and B)	\$5,000,000	N/A	\$0
<u># Vehicles</u>	<u>Comp</u>	<u>Coll</u>	
11	\$250	\$250	
Agreed Amount, if applicable 5 Vehicles for a total of \$275,000			
<i>Coverages A, B, and D are provided with a combined single limit of liability. The most the Pool will pay for any one occurrence is \$5,000,000 regardless of the number of coverages involved in the occurrence.</i>			

Property

Property - Blanket Basis	\$6,444,976	N/A	\$250
Boiler and Machinery	Included	N/A	\$250
Building(s)	Included	N/A	\$250
Contents	Included	N/A	\$250
Property in the Open	Included	N/A	\$250
Protection & Preservation	Included	N/A	N/A
Property - Actual Cash Value	N/A	N/A	N/A
Property - Limited Replacement Cost	N/A	N/A	N/A
Property - No Coverage	N/A	N/A	N/A
Property - Replacement Cost	See Schedule	N/A	\$0
2 Auxiliary Pumps	\$30,000	N/A	\$250
Accounts Receivable	\$100,000	N/A	\$250
Cable TV Department Equipment	\$146,489	N/A	\$250
Consequential Damage	\$100,000	N/A	N/A

Coverage and Cost Summary City Of Lathrup Village

Effective 09-01-2021 to 09-01-2022

Coverages	Limit of Liability	Aggregate Limit	Per Occurrence Deductible
Contractors Equipment	\$8,000	N/A	\$250
Debris Removal - the lesser of 25% of physical damage loss or	\$5,000,000	\$5,000,000	N/A
Demolition & Increased Costs of Construction Limit	\$100,000	N/A	N/A
Earth Movement	\$2,000,000	\$2,000,000	\$5,000
Electronic Data Processing Equip	\$125,000	N/A	\$250
Expediting Expense	\$100,000	N/A	N/A
Extra Expense	\$100,000	N/A	N/A
Fine Arts	\$100,000	N/A	\$250
Flood (Except for Members located in Flood Zone A, AO, AH, A1-A999, AE, or AR)	\$1,000,000	\$1,000,000	\$5,000
Fungal Pathogens	\$25,000	\$25,000	\$250
Loss of Income	\$100,000	N/A	N/A
Loss of Rents	\$100,000	N/A	N/A
Ornamental Trees, Shrubs, Plants or Lawn	\$5,000	\$10,000	\$250
Personal Effects & Property of Others	\$500	\$2,500	\$250
Radio Equipment	\$16,077	N/A	\$250
Valuable Papers	\$100,000	N/A	\$250
Voting Machines	\$19,145	N/A	\$250
<u>Comprehensive Crime Coverage</u>			
Employee Dishonesty Blanket/Faithful Performance	\$100,000	N/A	N/A
Computer Fraud	\$100,000	N/A	N/A
Depositors Forgery	\$100,000	N/A	N/A
Funds Transfer Fraud	\$100,000	N/A	N/A
Impersonation Fraud	\$100,000	N/A	N/A
Money and Securities Inside	\$100,000	N/A	N/A
Money and Securities Outside	\$100,000	N/A	N/A
Money Orders and Counterfeit Paper	\$100,000	N/A	N/A
<u>Bonds</u>			
Bond #: A Treasurer	\$100,000	N/A	N/A

Only one deductible applies to claims involving two or more property coverages.

The Michigan Municipal League Liability and Property Pool is pleased to offer all coverages and services described in this proposal for an annual premium of \$88,437.

Your Team of Experts



Judy Thomson-Torosian
Service and Sales Manager
(248) 204-6137



Michael J. Forster
Pool Administrator
(734) 669-6340



Ellen Skender
248-204-8582



Joan Opett
248-204-8579

Customer Service Representatives



Tracy Mattiello
Claims Manager
(248) 204-8094



Rod Pearson
Loss Control Manager
(248) 204-8036

Benefits of Pooling with the MML

- ✓ Proven long-term availability and stability
- ✓ Broad coverage document written specifically for Michigan municipalities
- ✓ Services tailored to unique needs of Michigan municipalities
- ✓ Member assets controlled by an elected Board of municipal officials
- ✓ Equitable rating based on Pool experience in Michigan
- ✓ Aggressive defense strategy – positive impact on case law
- ✓ Professional, dedicated, and experienced local management, oversight, and service
- ✓ Decisions made and problems resolved by a group of your peers
- ✓ Investment income and underwriting surplus used to benefit members
- ✓ Lower expenses through tax-exempt and non-profit status
- ✓ Special loss avoidance training sessions including:
 - ✓ Safety aspects of emergency vehicle operations
 - ✓ Accident investigation for supervisors
 - ✓ Confined spaces training

The advantages of pooling can be summarized by:

Service + Control + Value

City of Lathrup Village Has . . .

- ✓ \$1,533,568 Annual Payroll
- ✓ \$6,444,976 of total values for real and personal property
- ✓ 13 Law enforcement officers
- ✓ 11 Vehicles
- ✓ 5 Vehicles with agreed values totaling \$275,000
- ✓ \$86 Michigan Catastrophic Claims Assessment (MCCA) per vehicle (was \$100/vehicle for 2020) ↓

Note: These additional factors also impacted the 2021/2022 renewal premium:

- Five-year loss ratio: 271% for 2021; was 247% for 2020 = 9.7% ↑ (for every \$1 of premium paid for the past five years, the MML Liability & Property Pool has incurred \$2.71 of payout)
- Experience Modifier: 1.11 (same for 2020) 1.11 is the cap or maximum applied by the MML Liability & Property Pool.

Increased Liability Limits

We cannot guarantee the adequacy of any limit of liability. Due to the following factors, it may be prudent to consider higher limits:

- ✓ Increased jury awards in your jurisdiction
- ✓ Increased litigation trends
- ✓ Protection of tax base against judgments in excess of your policy limits

If you are interested in increasing your liability limits, please contact your Account Executive.

Highlights of Coverages Provided

Who Is Insured?

The Pool member entity, elected and appointed officials, employees and authorized volunteers, and any person officially appointed to a Board or Commission

General Liability

In addition to standard liability coverages (bodily injury, property damage, products and completed operations) the Pool provides coverages that municipalities need on an **occurrence basis with no aggregate liability limits**:

- ✓ Liability resulting from mutual aid agreements
- ✓ Premises medical payments
- ✓ Host liquor liability
- ✓ Watercraft liability, owned less than 26' and non-owned less than 50'
- ✓ Special events excluding -
 - Fireworks (unless endorsed)
 - Liquor Liability
 - Mechanical Amusement Rides
- ✓ Fire legal liability for real property
- ✓ Ambulance and EMT malpractice

Fireworks Coverage Options: (Fireworks application must be completed before coverage is endorsed)

1. The MML Liability & Property Pool is primary (the Member is not added as an additional insured on a pyrotechnician's coverage):

Annual Aggregate Sublimit	Additional Premium
\$500,000	Yes
\$1,000,000	Yes
2. The MML Liability & Property Pool is excess (the Member is added as an additional insured on a pyrotechnician's coverage):

NO ADDITIONAL PREMIUM

- ✓ Athletic participation liability
- ✓ Employee benefit liability
- ✓ Cemetery operations coverage
- ✓ Marina Operators coverage available
- ✓ Up to \$10 million in liability limits available
- ✓ Pollution coverage for Hazardous Response Teams
- ✓ Cyber Liability and Data Breach Response Coverage – as described on MMLCYD (09/17)

General Liability Exclusions . . .

The following is a partial list of general liability coverage exclusions. Consult the coverage document for the complete listing:

- ✓ Pollution (except for Hazmat operations).
- ✓ Nuclear energy / nuclear material hazards
- ✓ Expected or intended injury
- ✓ Breach of contract
- ✓ Failure of dams (unless endorsed)
- ✓ Backup of Sewers and Drains (**exception -- \$100,000 Annual Aggregate Sublimit for Sewer and Drain Liability**)
- ✓ Aircraft Liability – (Unless Endorsed -- Limited Coverage for Unmanned Aircraft—MML236)
- ✓ Contractual Liability
- ✓ Failure to supply utilities
- ✓ Electromagnetic radiation
- ✓ Medical malpractice for doctors and physicians
- ✓ Criminal activity--Intentional acts w/knowledge of wrongdoing

Cyber Liability and Data Breach Response Coverage

- ✓ Information Security and Privacy Liability
- ✓ Privacy Breach Response Services
- ✓ Regulatory Defense and Penalties
- ✓ Website Media Content Liability
- ✓ PCI Fines, Expenses and Costs
- ✓ Cyber Extortion
- ✓ First Party Data Protection
- ✓ First Party Business Interruption

Public Officials Liability Coverage

“Wrongful Acts”, including intentional acts, defined as any actual or alleged error, misstatement, act of omission, neglect or breach of duty including:

- ✓ Neglect of duty
- ✓ Zoning defense and land use litigation
- ✓ Malfeasance
- ✓ Violation of civil rights
- ✓ Discrimination
- ✓ Employment practices
- ✓ Misfeasance
- ✓ Cable TV broadcasting

Public Officials Liability Exclusions

The following is a partial list of public officials’ liability coverage exclusions. Consult the coverage document for the complete listing:

- ✓ Pollution and Nuclear Energy
- ✓ Fraud, dishonesty, intentional and criminal acts
- ✓ Failure to purchase coverage or adequate coverage
- ✓ Return of governmental grants or subsidies
- ✓ Intentional acts with knowledge of wrongdoing
- ✓ Eminent domain / takings
- ✓ Illegal profit
- ✓ Labor union actions
- ✓ ERISA violations
- ✓ Backup of Sewers and Drains

Personal Injury & Advertising / Broadcasters Liability Coverage

- ✓ Mental anguish and stress
- ✓ Libel, slander, or defamation of character; violation of an individual’s right of privacy
- ✓ Proactive services for non-monetary damage claims

Police Professional Liability Coverage

Police Professional Liability coverage is contained within the General Liability and Public Official Liability Coverage Parts

- ✓ Discrimination
- ✓ Violation of civil rights
- ✓ Jail operations
- ✓ False arrest, detention or imprisonment, or malicious prosecution
- ✓ Wrongful entry or eviction or other invasion of the right of private occupancy
- ✓ Assault or battery
- ✓ Improper service of suit
- ✓ Coverage assumes officers act with intent

Property Coverage

In addition to covering buildings, contents and personal property, the Pool provides:

- ✓ Blanket coverage -- All member-owned property insured (unless specifically excluded)
- ✓ Coverage based on ownership rather than on a "schedule on file" avoids coverage gaps due to errors or oversight
- ✓ Property of others in custody of the Member for which the Member has an obligation to provide coverage
- ✓ Boiler & Machinery coverage, including Boiler certification inspections
- ✓ Replacement Cost or Actual Cash Value available
- ✓ Fungal Pathogens (Mold) Limited Coverage
- ✓ Demolition/increased cost of construction
- ✓ No coinsurance
- ✓ Valuable papers
- ✓ Loss of Rents
- ✓ Property in the open
- ✓ Extra expense
- ✓ Expediting expense

Property Exclusions

The following is a partial list of property coverage exclusions. Consult the coverage document for the complete listing:

- ✓ Nuclear reaction/ contamination
- ✓ War
- ✓ Cyber Risk
- ✓ Fungal Pathogens (Mold) excess of sub-limit
- ✓ Failure to supply utilities
- ✓ Transmission Lines and Poles
- ✓ Dishonest acts
- ✓ Acts of Terrorism excess of Pool's Aggregate Sublimit -- MMLC TR (9/1/10)
- ✓ Wear and tear
- ✓ Computer failures/ viruses

Only one deductible applies to claims involving two or more property coverages.

Comprehensive Crime Coverage

- ✓ Employee Dishonesty/ Faithful Performance of Duty coverage provided on a blanket basis
- ✓ Loss Inside the Premises
- ✓ Loss Outside the Premises
- ✓ Money Orders/ Counterfeit Currency
- ✓ Depositors Forgery
- ✓ Position Fidelity Bonds
- ✓ Computer Fraud
- ✓ Funds Transfer Fraud

Automobile Coverage Highlights

What Is Covered?

Coverage is afforded while operating land motor vehicles, trailers or semi-trailers designed for travel on public roads.

Auto Coverages Provided

- ✓ Michigan No-Fault Coverage, includes mini-tort coverage for no extra charge
- ✓ Excess protection for use of personal automobile for municipal business
- ✓ Uninsured motorist for municipally owned vehicles
- ✓ Underinsured motorists
- ✓ Non-owned and hired auto
- ✓ Comprehensive - actual cash value basis
- ✓ Collision - actual cash value basis
- ✓ Volunteer firefighter auto accident liability coverage
- ✓ Agreed value coverage for emergency vehicles is available
- ✓ Fire or Rescue Vehicle Rental Reimbursement Coverage

Pool Risk Management Services

- ✓ Review and service of all municipal insurance matters
- ✓ Public entity experts address various liability issues
- ✓ Aggressive, member-oriented defense strategy
- ✓ Former police officials address law enforcement risks
- ✓ Physical inspection by municipal loss control consultants
- ✓ Law enforcement risk control programs (LEAF and LERC)
- ✓ Property appraisal services available

Online Services

www.mml.org (click on the *Insurance* button) – offers Pool members an outstanding resource for municipal risk management information and self-help tools in one attractive, simple-to-navigate location. File a claim online. Download your renewal application. Request a loss control service visit. E-mail us a question. Other services available online:

- ✓ Online Forms (including Sewer Backup Sample Documents)
- ✓ Risk Resources:
 - ✓ Risk Control Solutions
 - ✓ Safety & Health Manual
 - ✓ Risk Management is Good Management Program
 - ✓ Law Enforcement Newsletters
 - ✓ Access to Safetysurance website -- <http://www.safetysurance.com/>
- ✓ MML Pool Audited Financial Statements
- ✓ Intergovernmental Contract
- ✓ Board of Directors, Pool Administrator and Staff Profiles and Contact Information

Membership Responsibilities

Membership in the Michigan Municipal League Liability and Property Pool provides numerous benefits. Likewise, individual members have certain responsibilities to the other members, which are detailed in the Intergovernmental Contract. The following is a summary of the membership responsibilities. Please refer to the Intergovernmental Contract, Articles 5 and 6, for more information.

- ✓ If a Member intends to leave the Pool, the Member must send a written notice to the Pool at least 60 days prior to its next renewal date.
- ✓ A Member must pay its premium when due. The Pool must give each member 20 days written notice of intent to terminate membership for nonpayment of premium. Payment of premium before the 20 days notice is effective will entitle the Member to reinstatement.
- ✓ Members must maintain membership or associate membership status in the Michigan Municipal League.
- ✓ A Member will allow attorneys employed by the Pool to represent the Member in defense of any claim made against the Member within the scope of coverage provided by the Pool. A Member will cooperate with the assigned attorneys, claims adjusters, service company or other agents of the Pool relating to the defense of claims for which the Pool is providing coverage.
- ✓ A Member will follow loss reduction and prevention measures established by the Pool.
- ✓ A Member will report to the Pool as promptly as possible all incidents that the Member reasonably believes may result in a claim against the Member.