

Memo

To: Northfield Township Board of Trustees
From: Marlene Chockley, Supervisor
RE: Berends, Henricks and Stuit - Liability Insurance
Date: June 22, 2017

Trustees,

It is renewal time for our liability insurance. We have had the services of Berends, Henricks and Stuit for several years. This is a one-year renewal.

The contract I am recommending is the same rate as we have had, but there is an automatic increase the value of property by 3%. However, because we have had a reduction in our fleet of cars, the actual annual premium is going down by \$4298.

I recommend that we complete this contract.

Thank you for your consideration.

Marlene Chockley

NORTHFIELD TOWNSHIP
Premium Breakdown/Composite Rates
Renewal Effective: July 1, 2017

| | Effective 7/1/2016 | Composite Rates |
|-----------------------|-----------------------|--------------------|
| Property | \$18,478 | 0.078201 |
| Inland Marine | \$3,838 | 0.568749 |
| Fire Veh/RC | \$8,874 | 0.515316 |
| E.D.P. | \$640 | 0.3369250 |
| C.G.L. | \$25,439 | |
| E & O: | \$3,719 | |
| Law: | \$2,081 | |
| Auto Liability | \$9,935 | |
| Auto Phy. Damage | \$14,766 | 0.031986 |
| Additional Liability | \$16,107 | |
| Crime | \$22 | |
| Boiler & Machinery | \$4,892 | |
| Blanket Bonds | \$0 | |
| MCCA | \$2,880 | |
| No Aggregate | \$985 | |
| Zoning | \$1,000 | |
| Sewer | \$750 | |
| Non-Monetary | \$500 | |
| TOTAL PREMIUM: | \$114,906 | |

| | Effective 7/1/2017 | Composite Rates |
|-----------------------|-----------------------|--------------------|
| Property | \$18,917 | 0.077817 |
| Inland Marine | \$3,838 | 0.568749 |
| Fire Veh/RC | \$9,230 | 0.517781 |
| E.D.P. | \$640 | 0.3369250 |
| C.G.L. | \$25,439 | |
| E & O: | \$3,719 | |
| Law: | \$2,081 | |
| Auto Liability | \$8,805 | |
| Auto Phy. Damage | \$11,739 | 0.031981 |
| Additional Liability | \$15,701 | |
| Crime | \$22 | |
| Boiler & Machinery | \$5,036 | |
| Blanket Bonds | \$0 | |
| MCCA | \$2,210 | |
| No Aggregate | \$985 | |
| Zoning | \$1,000 | |
| Sewer | \$750 | |
| Non-Monetary | \$500 | |
| TOTAL PREMIUM: | \$110,612 | |

Property = Building Limit + Contents Limit / 100 x Composite Rate = Premium for location

Inland Marine = Inland Marine Limit / 100 x Composite Rate = Premium

EDP = EDP Limit / 100 x Composite Rate = Premium

Auto Physical Damage = Cost New x Composite Rate = APD Premium for that vehicle

*** To get Premium for each Vehicle: Add Auto PD Charge + AL Charge + MCCA Charge

MCCA: \$170.00 - Applies to Vehicle Type Codes 1, 2, 3, 7, 11, 12, 14 & 15 Only

** Please keep in mind Composite Rates may/may not include flat charges, & therefore do not reflect actual premiums should changes be made to the policy.

Commercial Insurance/Risk Management Proposal



**8350 Main Street
Whitmore Lake, MI 48189**

For Policy Period:

7/01/17 to 7/01/18



Berends|Hendricks|Stuit

**Ken Keuning
Berends Hendricks Stuit
2822 Westshore Drive
Holland, MI 49424**

THIS DOCUMENT SUMMARIZES THE PROPOSAL FOR YOUR INSURANCE. THIS IS NOT A CONTRACT. THE TERMS OF THE POLICY FORMS WILL CONTROL THE INSURANCE CONTRACT WITHOUT REGARD TO ANY STATEMENT MADE IN THIS PROPOSAL.

Service Team

Phone Number: (616) 510-2420

Toll Free Phone Number: (877) 396-2003

Fax Number: (616) 396-9591

Account Executive/Team Leader

Overall responsibility for account team, consultant, strategist, etc.

Ken Keuning - Direct Line: (616) 510-2430

E-mail: kkeuning@bhsins.com

Account Manager/Customer Service

Overall administration of program, policy amendments, invoicing & statements, claim reporting, etc.

Tami Solorzano, CISR - Direct Line: (616) 510-2425

E-mail: tsolorzano@bhsins.com

Back-Up Account Manager/Customer Service

If Tami is unavailable, please ask for one of the following Account Managers:

Shari Miranda / Direct Line: (616) 510-2431

Kimberly Book / Direct Line: (616) 510-2429

Bev Venema / Direct Line: (616) 510-2421

Claims Management

Responsible for filing, follow-up and compliance of claim reporting

Kimber Byxbe – Direct Line : 616-261-7307

E-mail: kbyxbe@bhsins.com

Loss Prevention Consultant

Rich DeLeau – Direct Line : 616-261-7336

E-mail: rdeleau@bhsins.com

MI Township Par Plan

RISK CONTROL ADMINISTRATION:

HCC Risk Control

1700 Opdyke Court
Auburn Hills, Michigan 48326
(248) 371-3100 - LOCAL
(800) 783-1370 - WATTS
(248) 371-3069 - FAX

MI Township Par Plan

CLAIMS ADMINISTRATION:

HCC Claims Service

1700 Opdyke Court
Auburn Hills, Michigan 48326
(800) 225-6561 - WATTS
(248) 371-3091 – FAX

GUIDE TO A.M. BEST'S RATINGS

Best's Insurance Reports, published annually by A.M. Best Company, Inc., presents comprehensive reports on the financial position, history, and transactions of insurance companies operating in the United States and Canada. Companies licensed to do business in the United States are assigned a Best's Rating which attempts to measure the comparative position of the company or association against industry averages.

Best's ratings are based on analysis, which gives consideration to a number of factors of varying importance. While the analysis is believed to be reliable, we cannot guarantee the accuracy of the rating or the financial stability of the insurance company.

A copy of the Best's Insurance Report on the insurance companies is available for your review:

Best's Rating Classifications Are:

| | |
|------------------|------------------|
| A++ to A+ | Superior |
| A to A- | Excellent |
| | |
| B++ to B+ | Very Good |
| B to B- | Good |
| C++ to C+ | Fair |
| C to C- | Marginal |

Best's Financial Classifications are:

| | | | |
|------|-----------------|----|-----------------|
| I | \$0 | to | \$1,000,000 |
| III | \$2,000,000 | to | \$5,000,000 |
| II | \$1,000,000 | to | \$2,000,000 |
| IV | \$5,000,000 | to | \$10,000,000 |
| V | \$10,000,000 | to | \$25,000,000 |
| VI | \$25,000,000 | to | \$50,000,000 |
| VII | \$50,000,000 | to | \$100,000,000 |
| VIII | \$100,000,000 | to | \$250,000,000 |
| IX | \$250,000,000 | to | \$500,000,000 |
| X | \$500,000,000 | to | \$750,000,000 |
| XI | \$750,000,000 | to | \$1,000,000,000 |
| XII | \$1,000,000,000 | to | \$1,250,000,000 |
| XIII | \$1,250,000,000 | to | \$1,500,000,000 |
| XIV | \$1,500,000,000 | to | \$2,000,000,000 |
| XV | \$2,000,000,000 | to | or more |

Note: At your option, you may wish to consult with other available rating services.

Berends Hendricks Stuit Insurance Agency uses A.M. Best & Co's rating services to evaluate the financial condition of insurers whose policies we propose to deliver. Berends Hendricks Stuit Insurance Agency makes no representations and warranties concerning the solvency of any carrier, nor does it make any representation or warranty concerning the rating of the carrier which may change.

Property

Insurance Program: Michigan Township Participating Plan
(Insurance Provider: U.S. Specialty Ins. Co) **AM Best Rated:** A+ X IV

Policy Period: 7-01-2017 to 7-01-2018

Conditions

Special Form (Special): All Risks of direct physical loss or damage, except those specifically excluded.

Replacement Cost (RC): Repairs and replacement without depreciation of value.

Agreed Amount (AA): Removal of coinsurance and losses are covered for the agreed value listed.

Blanket (BLKT): Allows total amount of buildings and contents to be applied to any one loss.

Coverage Detail

| Subject | Amount | Valuation | Cause of Loss | Deductible |
|------------------|--------------|-----------|---------------|------------|
| Blanket Building | \$30,521,260 | RC/AA | Special | \$1,000 |
| Blanket Contents | \$259,993 | RC/AA | Special | \$1,000 |

Note: Required 3% Inflationary Increase Applied

Endorsements

➤ **Special Municipal Property Endorsement:**

- \$500,000 Extra Expense – All Locations
- \$500,000 Business Income – All Locations
- Inflation Guard – 2.5% per Quarter
- Glass Coverage - \$500 per Pane/\$5,000 per Occurrence – No Deductible
- Personal Effects of Employees - \$1,000 Subject to \$50,000 Limit per Occurrence
- Loss of Rents: Coverage for Loss of Rents up to \$500,000 per Claim from Insured Loss to the Insurer's Buildings
- Replacement Cost Coverage "is not" Contingent Upon Rebuilding on the Same Site or Location
- Ordinance or Law:
 - Coverage A: Coverage for Loss to the Undamaged Portion of the Building: Actual Loss Sustained
 - Coverage B: Demolition cost Coverage: Actual Loss Sustained
 - Coverage C: Increased Cost of Construction Coverage: Actual Loss Sustained

➤ **Accounts Receivable: \$500,000**

➤ **Flood Limit: \$100,000/\$10,000 Deductible**

(Any location in the following flood zone is excluded: Flood Zones A, AO, AH, A1-A30, A99, AV, V and V1-V30)

- Earthquake Limit: \$1,000,000/\$50,000 Deductible
- Fine Arts/Historical Artifacts: Up to \$25,000 Blanket – Additional Limits Available
- First Party Sewer Backup - \$25,000
- Property in Transit - \$50,000
- Newly Acquired or Constructed Property: Buildings \$1,000,000 for 180 Days
- Newly Acquired or Constructed Contents: \$250,000
- Property Off Premises - \$100,000
- Debris Removal – 25% of Direct Physical Loss or Damage to Covered Property
- Underground Pipes, Flues or Drains - \$1,000,000
- Inventory or Appraisal - \$10,000 Any One Claim
- Outdoor Property: Specifically Listed Items - \$10,000 (limited perils)
- Outdoor Property: All Other Items - \$5,000 (limited perils)
- Foundations of Machinery - \$250,000
- Animal Mortality - \$10,000
- Electrical Utility Services Interruption - \$25,000
- Fire Department Service Charge - \$5,000
- Fire Equipment Recharge - \$5,000

Statement of Values

| Loc | Bldg | Address | Description | Building | Contents |
|-----|------|----------------------|--------------------------|-------------|-----------|
| 1 | 1 | 75 Barker Road | Old Hall | \$112,551 | \$3,545 |
| 2 | 1 | 11500 Lemen Road | VWTP Metal Storage | \$64,154 | \$0 |
| 2 | 2 | 11500 Lemen Road | Filter Room | \$468,959 | \$0 |
| 2 | 3 | 11500 Lemen Road | Grit & Screen Bldg. | \$1,427,124 | \$0 |
| 2 | 5 | 11500 Lemen Road | Sludge Thickening Tank | \$104,332 | \$0 |
| 2 | 6 | 11500 Lemen Road | Service & Control Bldg. | \$553,562 | \$102,816 |
| 2 | 7 | 11500 Lemen Road | Storage Bldg. | \$56,275 | \$0 |
| 2 | 9 | 11500 Lemen Road | Digester Bldg. | \$291,405 | \$0 |
| 2 | 10 | 11500 Lemen Road | Digester X3 | \$922,783 | \$0 |
| 2 | 11 | 11500 Lemen Road | Sludge Storage Tank | \$1,052,908 | \$0 |
| 2 | 13 | 11500 Lemen Road | Primary Settling Tanks | \$858,388 | \$0 |
| 2 | 14 | 11500 Lemen Road | Trickle Filter | \$3,739,406 | \$0 |
| 2 | 15 | 11500 Lemen Road | Immediate Trickle Filter | \$1,113,867 | \$0 |
| 2 | 16 | 11500 Lemen Road | Parshall Fume & Aeration | \$1,750,360 | \$0 |
| 2 | 17 | 11500 Lemen Road | Final Settling Tanks | \$1,352,551 | \$0 |
| 2 | 18 | 11500 Lemen Road | Filter Bldg. | \$637,702 | \$0 |
| 2 | 19 | 11500 Lemen Road | Chlorine Contact & Eff | \$584,241 | \$0 |
| 3 | 1 | 2727 NE Territorial | Fire Station | \$876,771 | \$23,635 |
| 3 | 2 | 2727 NE Territorial | Fire Station Garage | \$6,190 | \$0 |
| 4 | 1 | 9101 Main Street | Senior Center | \$686,560 | \$31,908 |
| 5 | 1 | 601 Raymond | Lift Station | \$139,059 | \$0 |
| 6 | 1 | 10201 Elm Crest | Lift Station | \$139,059 | \$0 |
| 7 | 1 | 7647 Edmund | Lift Station | \$208,588 | \$0 |
| 8 | 1 | 11380 N. Shore Drive | Lift Station | \$166,870 | \$0 |
| 9 | 1 | 10597 9 Mile Road | Lift Station | \$139,059 | \$0 |
| 10 | 1 | 8076 Main Street | Lift Station | \$193,435 | \$0 |

Presented: June 1, 2017

| <u>Loc</u> | <u>Bldg</u> | <u>Address</u> | <u>Description</u> | <u>Building</u> | <u>Contents</u> |
|------------------------------|-------------|--------------------------|---------------------|---------------------|------------------|
| 11 | 1 | 11591 N. Shore | Lift Station | \$148,329 | \$0 |
| 12 | 1 | 11800 Whitmore Lake | Lift Station | \$359,412 | \$0 |
| 14 | 1 | 11615 E. Shore | Lift Station | \$325,185 | \$0 |
| 15 | 1 | 925 W. 8 Mile Road | Lift Station | \$1,144,562 | \$0 |
| 16 | 1 | 9081 Lake Pine | Lift Station | \$468,521 | \$0 |
| 17 | 1 | 7941 Turnberry | Lift Station | \$118,200 | \$0 |
| 18 | 1 | 8350 Main Street | Police/Fire Station | \$9,701,886 | \$98,089 |
| 18 | 2 | 8350 Main Street | Car Port | \$22,511 | \$0 |
| 18 | 3 | 8350 Main Street | Storage | \$6,190 | \$0 |
| 19 | 1 | 9500 Lake Point Drive | Lift Station | \$193,435 | \$0 |
| 20 | 1 | 427 E. North Territorial | Lift Station | \$193,435 | \$0 |
| 21 | 1 | 9225 Lake Pine Drive | Lift Station | \$193,435 | \$0 |
| Total Blanket Limits: | | | | \$30,521,260 | \$259,993 |

Boiler & Machinery

Insurance Program: Michigan Township Participating Plan
(Insurance Provider: Travelers Ins. Co.) **AM Best Rated:** A+ XV

Policy Period: 7-01-2017 to 7-01-2018

Coverage and Limits

| | |
|---|-------------------------|
| ➤ Total Limit per Breakdown | \$ 30,781,253 |
| ➤ Property Damage | Included |
| ➤ Power Generating or Diagnostic Equipment | Excluded |
| ➤ Business Income | 500,000 |
| ▪ "Period of Restoration" Extension | 30 Days |
| ➤ Extra Expense | 500,000 |
| ▪ "Period of Restoration" Extension | 30 Days |
| ➤ Spoilage Damage | 100,000 |
| ▪ Coverage Applies Only if Interruption Lasts at Least | 24 Hours |
| ➤ Utility Interruption | 100,000 |
| ▪ Coverage Applies Only if Interruption Lasts at Least | 24 Hours |
| ➤ Data or Media | \$25,000 |
| ➤ Error in Description | Incl. w/Breakdown Limit |
| ➤ Expediting Expense | 100,000 |
| ➤ Newly Acquired Locations (180 Days) | 1,000,000 |
| ➤ Ordinance or Law | 250,000 |
| ➤ Refrigerant Substances | 100,000 |
| ➤ Water Damage | 100,000 |
| ➤ Hazardous Substance Limitation | \$100,000 |
| ➤ Green Coverage Extension | |
| - Percentage of Property Damage Payable Loss | 5% |
| - Percentage of Business Income or Extra Expense Payable Loss | 5% |
| - Maximum Amount Payable: | \$25,000 |
| ➤ "Fungus", Wet Rot and Dry Rot Coverage Extension | |
| - Property Damage | \$15,000 |
| - Business Income or Extra Expense | 0 Days |

Deductibles

| | |
|---|-------------|
| ➤ Property Damage | \$ 1,000 |
| ▪ Except Water Treatment/Sewage Plants | 2,500 |
| ▪ \$50 per HP on Air Conditioning/Refrigeration Systems Subject to a \$2,500 Minimum | |
| ➤ Business Income/Extra Expense | 24 Hours |
| ▪ Except Water Treatment/Sewage Plants | 48 Hours |
| ➤ Spoilage Damage | 10% of Loss |
| ▪ Subject to a \$2,500 Minimum | |
| ➤ Utility Interruption | 24 Hours |

Inland Marine

Insurance Program: Michigan Township Participating Plan
(Insurance Provider: U.S. Specialty Ins. Co) **AM Best Rated:** A+ X IV

Policy Period: 7-01-2017 to 7-01-2018

Coverage

- Property Specifically Scheduled and Equipment while On or Off Premises
- No Co-Insurance Clause Applicable

Scheduled Equipment

| Description | | Amount | Valuation | Cause of Loss | Deductible |
|--|--------|------------------|-----------|---------------|------------|
| JCB Backhoe | WWTP | \$ 55,000 | RC | Special | \$1,000 |
| Port Sewer Cleaner/747 Pressure Pump | WWTP | \$ 35,000 | RC | Special | \$1,000 |
| Port Video System for Sewer Inspection | WWTP | \$ 83,000 | RC | Special | \$1,000 |
| Miscellaneous Equipment | WWTP | \$ 26,000 | RC | Special | \$1,000 |
| Miscellaneous Lab Equipment | WWTP | \$ 72,000 | RC | Special | \$1,000 |
| Rescue One Boat w/Trailer | Fire | \$ 22,900 | RC | Special | \$1,000 |
| Miscellaneous Equipment | Police | \$ 66,880 | RC | Special | \$1,000 |
| Total Scheduled Equipment: | | \$360,780 | | | |

Unscheduled Equipment

| Description | Amount | Valuation | Cause of Loss | Deductible |
|--|------------------|-----------|---------------|------------|
| Misc. Property and Equipment | \$25,000 | RC | Special | \$1,000 |
| Misc. Ancillary Equipment (Fire Dept.) | \$289,050 | RC | Special | \$1,000 |
| Total Unscheduled Equipment: | \$314,050 | | | |

Electronic Data Processing

Insurance Program: Michigan Township Participating Plan
(Insurance Provider: U.S. Specialty Ins. Co) **AM Best Rated:** A+ X IV

Policy Period: 7-01-2017 to 7-01-2018

Coverage

➤ Includes Systems Breakdown

Coverage Detail

| Description | Amount | Valuation | Deductible |
|---|-----------|-----------|------------|
| Accuvote Tabulators | \$48,000 | RC | \$1,000 |
| Automark Voting | \$13,000 | RC | \$1,000 |
| File Server | \$7,100 | RC | \$1,000 |
| Phone System – Fire | \$25,000 | RC | \$1,000 |
| Konica Copier | \$15,000 | RC | \$1,000 |
| Miscellaneous Computers – Township Hall | \$12,100 | RC | \$1,000 |
| Miscellaneous Equipment – WWTP | \$3,900 | RC | \$1,000 |
| Miscellaneous Equipment – Police/Fire | \$50,900 | RC | \$1,000 |
| Miscellaneous Software | \$15,000 | RC | \$1,000 |
| Media | \$100,000 | RC | \$1,000 |
| Business Income | \$100,000 | RC | \$1,000 |
| Extra Expense | \$100,000 | RC | \$1,000 |

Valuable Papers & Records

Insurance Program: Michigan Township Participating Plan
(Insurance Provider: U.S. Specialty Ins. Co) **AM Best Rated:** A+ X IV

Policy Period: 7-01-2017 to 7-01-2018

Coverage

- Broad Form Coverage for the Reconstruction of Valuable Papers and Records at Municipal Locations and Extended to Include In Transit and Residence of All Duly Elected or Appointed Officials of the Municipality.
- Includes Computer Programs

Coverage Detail

| | | |
|---------------------|----|---------|
| ➤ Limit of Coverage | \$ | 250,000 |
| ➤ Deductible | \$ | 0 |

Crime / Fidelity

Insurance Program: Michigan Township Participating Plan
(Insurance Provider: U.S. Specialty Ins. Co) **AM Best Rated:** A+ X IV

Policy Period: 7-01-2017 to 7-01-2018

Coverage

- Includes: All Municipal Premises and Officials Homes and/or Place of Employment or Banking Facility

Coverage Detail

| | | |
|--|----|---------|
| ➤ Fidelity Bond/Employee Dishonesty - Includes Faithful Performance | \$ | 100,000 |
| ➤ Forgery or Alteration | \$ | 100,000 |
| ➤ Computer Fraud Limit | \$ | 100,000 |
| ➤ Theft, Disappearance & Destruction – On/Off Premises | \$ | 100,000 |
| ➤ Deductible | \$ | 0 |

Bond Coverage

Insurance Program: Michigan Township Participating Plan
(Insurance Provider: U.S. Specialty Ins. Co) **AM Best Rated:** A+ X IV

Policy Period: 11-20-2016 to 11-20-2020 – Expiration Date is Concurrent w/General Election

Coverage Detail

➤ Blanket Limit Includes:

| | | |
|--------------------|----|--------|
| ▪ Treasurer | \$ | 25,000 |
| ▪ Deputy Treasurer | | 15,000 |
| ▪ Clerk | | 10,000 |
| ▪ Deputy Clerk | | 10,000 |
| ▪ Supervisor | | 5,000 |

➤ The Statute clearly Refers to Individual Bonds that Each Officer Must Obtain

➤ **Note:** Increased Treasurer and Manager Bonds are 3 Year Prepaid – All Others are Included
Higher Limits Available Upon Request

General Liability

Insurance Program: Michigan Township Participating Plan
(Insurance Provider: U.S. Specialty Ins. Co) **AM Best Rated:** A+ X IV

Policy Period: 7-01-2017 to 7-01-2018

Coverage Detail

| | |
|-------------------------------------|--------------|
| ➤ Limit of Liability per Occurrence | \$ 5,000,000 |
| ➤ Deductible | \$ 0 |
| ➤ Policy Form | Occurrence |
| ➤ Aggregate Limit | NONE |

Additionally Named

The Persons Insured Provision Includes the Following While Acting on Behalf of or in the Interest of the Named Insured:

- Any Member of the Governing Body of the Named Insured
- Any Member of Boards or Commissions of the Named Insured
- Any Elected or Appointed Official of the Named Insured
- Any Employee of the Named Insured
- Any Volunteer of the Named Insured

Additionally Included

- Sewer Liability resulting in property damage
 - Limit: \$100,000 per occurrence/\$100,000 aggregate
 - Deductible: \$0 per claim
- Employee Benefits Liability
 - Limit: \$1,000,000 per occurrence/\$3,000,000 aggregate.
 - Deductible: \$0 per claim.
- Premises Medical Payments - \$10,000 each person
- Fire Legal Liability (Rent/Lease/Borrow) Limit: \$500,000

Additionally Included (cont.)

- Personal Injury also includes:
 - Oral or written publication of material that is slander or libel
 - Oral or written publication of material that violates a person's right of privacy
 - False or Improper service of process
 - Violation of "property rights"
 - Discrimination
 - Violation of the Federal Civil Rights Act of 1871 or 42 USC 1983 or similar laws
- Contractual Liability - Coverage for the Named Insured When It Becomes Legally Obligated for Liability Assumed Through A Contractual Agreement
- Advertising Injury Liability - Includes Slogan Infringement
- Host Liquor Law Liability - Includes Incidental Giving and Serving
- Broad Form Property Damage Liability
- Incidental Medical Malpractice Liability (All employees)
- Bodily Injury & Property Damage Liability also includes:
 - The definition of occurrence includes any intentional act by or at the direction of the 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
 - Mental Anguish, Mental Injury and Humiliation
- Newly Acquired or Formed Organizations or Operations – 180 Days Automatic Coverage For Bodily Injury, Personal Injury, Property Damage and Advertising Injury Liability
- Completed Operations
- Product Liability (Services)
- Premises and Operations Liability
- Elected or Appointed Officials Residence or Place of Employment
- Special Events Liability - Includes Sponsored Athletic, Fund-Raising, Social Recreational Events (Fireworks and Liquor excluded; available separately)
- X.C.U. - Exclusion Deleted (Coverage Included)
- Medical Services Professional Liability
- Public and Private Highways, Roads, Streets and Sidewalks Liability (where the Exposure is Permitted by Law and when Applicable to the named insured)
- Non-Owned Watercraft Liability less than 26 Feet in length
- Definition of "Occurrence" means an accident, including continuous or repeated exposure to substantially the same general harmful conditions

Exposure Checklist

| <u>Class</u> | <u>Amount</u> | <u>Additional Information:</u> |
|--|----------------------|--|
| Fire Department | 1 | W/BASIC LIFE SUPPORT |
| Mowing Operation | 0 | |
| Police Department | 1 | |
| Utilities - Sanitary Sewers (# of Cust.) | 2,575 | |
| Water Exposure - Jet Skis/Wave Riders (Each) | 2 | |
| Zoning | 0 | |
| Cemeteries | _____ | |
| Parks & Playgrounds | _____ | |
| Paved Surfaces – Highways (Miles) | _____ | |
| Special Events | _____ | See Attached Info/Application (Pages 26 – 32) |

Wrongful Acts Liability (Errors & Omissions)

Insurance Program: Michigan Township Participating Plan
(Insurance Provider: U.S. Specialty Ins. Co) **AM Best Rated:** A+ X IV

Policy Period: 7-01-2017 to 7-01-2018

Coverage Detail

| | |
|-------------------------------------|--------------|
| ➤ Limit of Liability per Occurrence | \$ 5,000,000 |
| ➤ Deductible | \$ 0 |
| ➤ Policy Form | Occurrence |
| ➤ Aggregate Limit | NONE |

Additionally Included

- Coverage Addresses Not Only Public Officials and Employees, but the Public Entity As Well
- Pay on Behalf Wording
- 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."
- "Regulatory Taking of Private Property" (**Land Use Decisions**) includes defense and **damages** with a **\$1,000,000** sub limit / \$1,000,000 aggregate.
- Employment Termination – Back Wages: \$25,000 Limit per Person Added to Coverage
- **Non-Monetary Damage**
 - Per Suit: \$50,000
 - Policy Limit: \$100,000

Law Enforcement Professional Liability

Insurance Program: Michigan Township Participating Plan
(Insurance Provider: U.S. Specialty Ins. Co) **AM Best Rated:** A+ X IV

Policy Period: 7-01-2017 to 7-01-2018

Coverage Detail

| | |
|-------------------------------------|--------------|
| ➤ Limit of Liability per Occurrence | \$ 5,000,000 |
| ➤ Deductible | \$ 0 |
| ➤ Policy Form | Occurrence |
| ➤ Aggregate Limit | NONE |

Additionally Named

- All (Full and Part-Time) Paid Employees of the Law Enforcement Department
- Unpaid Volunteers or Reserves
- All Persons who Were, Now are or Shall Be Lawfully Elected, Appointed or Employed Officials of the Named Insured
- Employees while Engaged in Law Enforcement or Security Duties for Others but Only to the Extent Authorized by the Named Insured

Additionally Included

- Premises Liability for any location used for Law Enforcement Activities
- Assault and Battery
- False Arrest, Detention or Imprisonment or Malicious Prosecution
- False or Improper Service of Process
- Civil Rights Violations (Including Federal Civil Rights)
- Property in the Care, Custody or Control of the Insured Law Enforcement Department
- Libel, Slander, Defamation of Character
- Wrongful Entry and Eviction
- Discrimination
- Mental Anguish, Mental Injury and Humiliation
- Non-Owned Watercraft up to 26 Feet in Length
- Legal Expenses outside limit, including Legal Defense for Groundless, False, or Fraudulent Negligence Suits
- **Auto-Wrap Endorsement: Hot Pursuit Losses**

Commercial Auto

Insurance Program: Michigan Township Participating Plan
(Insurance Provider: U.S. Specialty Ins. Co) **AM Best Rated:** A+ X IV

Policy Period: 7-01-2017 to 7-01-2018

Coverage Detail

| Limits | Description |
|-------------|--|
| \$5,000,000 | Bodily Injury & Property Damage Liability Limit * |
| Statutory | Personal Injury Protection |
| Included | Property Protection Insurance |
| \$1,000 | Limited Property Damage Buyback |
| \$1,000,000 | Uninsured Motorist Protection |
| \$1,000,000 | Underinsured Motorist Protection |
| Included | Non-Owned Auto Liability |
| Included | Hired & Borrowed Auto Liability |
| \$50,000 | Hired Auto Physical Damage – Subject to Deductibles per Schedule on File w/Company |

* Per Occurrence/Unlimited Policy Period Maximum

Note: Hired Auto Physical Damage Does Not Include Diminished Value or Administration Fees

Recently rental companies have included in their rental agreements that you are responsible for the depreciated value of the damaged vehicle (even after it has been repaired). The insurance contract does not extend to pay for any depreciated value deemed by the rental company. To avoid being responsible for an unknown dollar amount in the event of an accident while you have the leased vehicle, we recommend either purchasing the physical damage coverage from the rental company which extends to cover the depreciated value as well, or confirm before rental that their agreement does not include this clause.

| Coverage | Applicable To |
|----------------------------------|---|
| Liability | Any Auto |
| PIP/PPI | All Owned Autos Which Require No Fault Coverage |
| Limited Property Damage Buyback | All Owned Autos Which Require No-Fault Coverage |
| Uninsured/Underinsured Motorists | Autos Specified on Schedule |
| Comprehensive | Autos Specified on Schedule |
| Collision | Autos Specified on Schedule |

Presented: June 1, 2017

Vehicle Schedule

| | Vehicle | VIN | Liab | UM | UIM | Comp Ded. | Collision Ded. |
|-----|--|------|------|----|-----|-----------|----------------|
| 1. | 1993 Tanker Fire Truck Value: \$250,000 | 8630 | • | • | • | \$1,000 | \$1,000 BF |
| 2. | 1996 F250 Brush Rig Value: \$40,000 | 6433 | • | • | • | \$1,000 | \$1,000 BF |
| 3. | 1998 Int'l Tanker Truck Value: \$250,000 | 7803 | • | • | • | \$1,000 | \$1,000 BF |
| 4. | 2000 Pierce Pumper Value: \$295,000 | 0589 | • | • | • | \$1,000 | \$1,000 BF |
| 5. | 2005 Ford Rescue Truck | 5331 | • | • | • | \$500 | \$500 BF |
| 6. | 2004 LaFrance Pumper Value: \$250,000 | 9851 | • | • | • | \$1,000 | \$1,000 BF |
| 7. | 2006 Ford Rescue Truck | 9904 | • | • | • | \$500 | \$500 BF |
| 8. | 2006 Ford F250 | 1653 | • | • | • | \$500 | \$500 BF |
| 9. | 2005 Freightliner – Fire Value: \$475,000 | 6563 | • | • | • | \$1,000 | \$1,000 BF |
| 10. | 2013 Ford Wagon – Police | 1746 | • | • | • | \$500 | \$500 BF |
| 11. | 2013 Ford Wagon – Police | 1750 | • | • | • | \$500 | \$500 BF |
| 12. | 2013 Ford Pickup | 8708 | • | • | • | \$500 | \$500 BF |
| 13. | 2014 Ford Explorer | 1394 | • | • | • | \$500 | \$500 BF |
| 14. | 2014 Ford Taurus – Police | 3764 | • | • | • | \$500 | \$500 BF |
| 15. | 2014 Trailer 1660 | | • | • | • | N/A | N/A |
| 16. | 2014 Ford Explorer – Police | 6593 | • | • | • | \$500 | \$500 BF |
| 17. | 2015 Chevy Tahoe Explorer – Police | 4610 | • | • | • | \$500 | \$500 BF |
| 18. | 2011 Ford Interceptor - Police | 0558 | • | • | • | \$500 | \$500 BF |
| 19. | 2016 Ford F350 Pickup – WWTP | 0834 | • | • | • | \$500 | \$500 BF |
| 20. | 2017 Ford Explorer Interceptor - Police Added Eff 12-05-16 | 0998 | • | • | • | \$500 | \$500 BF |
| 21. | 2017 Chevy Silverado 2500 – Fire Added Eff 12-16-16 | 7118 | • | • | • | \$500 | \$500 BF |
| 22. | 2017 Chevy Silverado 2500 – Fire Added Eff 1-23-17 | 8287 | • | • | • | \$500 | \$500 BF |
| 23. | 2017 Chevy Tahoe – Police Added Eff 2-16-17 | 2940 | • | • | • | \$500 | \$500 BF |
| 24. | 2017 Chevy Tahoe – Police Added Eff 2-16-17 | 3873 | • | • | • | \$500 | \$500 BF |

Total Vehicles: 24

Coverage Includes:

- Broadened Collision Coverage
- Emergency Automobile/Equipment Endorsement
- **Agreed Replacement Cost** Coverage for Scheduled Emergency Service Vehicles. All Other Scheduled Vehicles are ACV.
- **Values of Scheduled Fire Vehicles and Ambulances should be Reviewed and Increased to Reflect "Current Replacement Cost," Including the Ancillary Equipment Carried on the Vehicles.**

Emergency Automobile/Equipment Endorsement

- Rental Reimbursement - \$500 per Day/\$10,000 Aggregate
- Active Members Personal Effects/Fire and Police - \$3,000 per Person/\$30,000 Any One Loss
- Freezing Extension – Excludes Vehicle's Engines
- Borrowed Equipment, Leased Or Rented from Others - \$50,000/\$300,000 Aggregate
- Commandeered Vehicles/Equipment. Limit: \$50,000/\$300,000 Aggregate
- **Agreed Replacement Cost Coverage includes the provision: "At the time of a total loss of an emergency vehicle, the insured has the option of purchasing an ADDITIONAL 25% of the insured limit and 50% additional for equipment."**
- Police Undercover Vehicles. Limit: \$50,000
- Volunteer Fireman's and Public Official's Vehicle Deductible Reimbursement: \$1,000

Important Notes

Michigan Law (MCLA 500.3101) requires that the owner or registrant of a motor vehicle registered in this state must have insurance or other approved security for the payment of no-fault benefits on the vehicle at all times. **An owner or registrant who drives or permits a vehicle to be driven upon a public highway without the proper insurance or other security is guilty of a misdemeanor.**

Hired Auto Physical Damage Does Not Include Diminished Value or Administration Fees

Recently rental companies have included in their rental agreements that you are responsible for the depreciated value of the damaged vehicle (even after it has been repaired). The insurance contract does not extend to pay for any depreciated value deemed by the rental company. To avoid being responsible for an unknown dollar amount in the event of an accident while you have the rented vehicle, we recommend either purchasing the physical damage coverage from the rental company which extends to cover the depreciated value as well, confirm before rental that their agreement does not include this clause, or visit <https://www.insuremyrentalcar.com/#0> to purchase a rental car policy. This policy covers **private passenger type vehicles only** and is underwritten by Federal Insurance Company, a member of the Chubb Group. They provide options for short term rentals or, if you are renting a vehicle more often, an annual policy might make sense. **You will need to purchase individual policies for the individuals who will be driving the vehicles.**

Historical Exposures Summary

| | Total Property Values | Total Inland Marine Values | Total EDP Values | Total Number of Vehicles | Total Value of Vehicles | Total Boiler & Machinery Limit |
|------------------|-----------------------------|----------------------------------|------------------------|--------------------------------|-------------------------------|--------------------------------------|
| 2009/2010 | \$28,197,948 | \$651,930 | \$190,000 | 23 | \$1,997,000 | \$28,197,948 |
| 2010/2011 | \$27,235,380 | \$651,930 | \$190,000 | 23 | \$1,997,156 | \$27,235,380 |
| 2011/2012 | \$27,980,859 | \$651,930 | \$190,000 | 23 | \$2,007,930 | \$27,980,859 |
| 2012/2013 | \$27,980,859 | \$651,930 | \$190,000 | 25 | \$2,167,028 | \$27,980,859 |
| 2013/2014 | \$28,169,211 | \$651,930 | \$190,000 | 26 | \$2,197,638 | \$28,169,211 |
| 2014/2015 | \$28,169,211 | \$674,830 | \$190,000 | 24 | \$2,087,744 | \$28,169,211 |
| 2015/2016 | \$29,014,289 | \$674,830 | \$190,000 | 25 | \$2,122,278 | \$29,014,289 |
| 2016/2017 | \$29,884,713 | \$674,830 | \$190,000 | 27 | \$2,183,646 | \$29,884,713 |
| 2017/2018 | \$30,781,253 | \$674,830 | \$190,000 | 24 | \$2,149,750 | \$30,781,253 |

Note: Above does not include Endorsements Processed

Premium Summary

| Line of Business | 2016/2017 Premium | 2017/2018 Premium |
|------------------------------|----------------------|----------------------|
| MI Par Plan Premium | \$114,906 | \$110,612 |
| - Property | Included | Included |
| - Boiler & Machinery | Included | Included |
| - Inland Marine | Included | Included |
| - Electronic Data Processing | Included | Included |
| - Valuable Papers & Records | Included | Included |
| - Crime | Included | Included |
| - Blanket Bond (3 Year Term) | Included | Included |
| - General Liability | Included | Included |
| - Wrongful Acts (E&O) | Included | Included |
| - Law Enforcement | Included | Included |
| - Business Auto | Included | Included |
| TOTAL PREMIUM: | \$114,906 | \$110,612 |

Three Year Guarantee Effective 7-01-2015 to 7-01-2018
Subject to Loss Ratio (attached)

Subjectivities

- Client Authorization to Bind/Authorized Individuals – Signed/Dated
- Terrorism Rejection Form – Signed/Dated
- HCC Application Declaration – Signed/Dated

U.S. SPECIALTY INSURANCE COMPANY

ENDORSEMENT NO. _____

| ATTACHED TO AND FORMING A PART OF POLICY NUMBER | ENDORSEMENT EFFECTIVE (Standard Time) | | | | | INSURED | AGENCY AND CODE |
|---|--|-----|-----|--------------|------|---------|-----------------|
| | MO. | DAY | YR. | 1201 A.M. | NOON | | |
| | | | | X | | | 99901 |

THREE YEAR RATE GUARANTEE

This endorsement applies to all coverages under this policy.

The rates used to determine the premium for this policy are guaranteed to remain the same during the three (3) year policy period shown in the Declarations if the "Account Loss Ratio" does not exceed the following guidelines:

| | |
|-----------------------------------|------------|
| First Anniversary | |
| "Account Loss Ratio" at 9 months | 18% |
| Second Anniversary | |
| "Account Loss Ratio" at 21 months | 24% |

If the "Account Loss Ratio" exceeds the above percentage(s), we reserve the right to increase the rates used to determine your premium at either the first or second anniversary date of the policy.

For purposes of this endorsement, the "Account Loss Ratio" is determined as follows:

| | |
|----------------------|---|
| Account Loss Ratio = | $\frac{\text{Paid Loss} + \text{Loss Outstanding} + \text{Paid ALAE} + \text{ALAE Outstanding}}{\text{Total Policy Premium}}$ |
|----------------------|---|

*ALAE means Allocated Loss Adjustment Expense

***However, policy forms are subject to change at renewal.

ALL OTHER TERMS AND CONDITIONS OF THIS POLICY REMAIN UNCHANGED

AUTHORIZED REPRESENTATIVE

DATE

PKGIL0005

Client Authorization to Bind Coverage

After careful consideration of your renewal for insurance coverages effective 7-01-2017 to 7-01-2018, we accept your insurance program subject to the following exceptions/changes:

It is understood this proposal provides only a summary of the details; the policies will contain the actual coverages. We confirm the values, schedule, and other data contained in the proposal are from our records and acknowledge it is our responsibility to see that they are maintained accurately.

Authorized Individuals

As an authorized representative of the First Named Insured, Northfield Township, I hereby authorize the following individuals to act on my behalf in requesting coverage changes, additions, reductions or eliminations. If this list of authorized individuals changes, I agree to notify Berends Hendricks Stuit Insurance in writing.

| Name | Title |
|-------|-------|
| <hr/> | <hr/> |
| <hr/> | <hr/> |
| <hr/> | <hr/> |

Policy Delivery

I, _____ of Northfield Township, would like to receive the company's insurance policies in the following format:

_____ Paper Copy _____ Electronically

I give Berends Hendricks Stuit Insurance affirmative consent to receive any policies by secure email to the following email address: _____

Northfield Township

| | |
|-----------------|-------|
| <hr/> | <hr/> |
| Signature/Title | Date |

**POLICYHOLDER DISCLOSURE
NOTICE OF TERRORISM
INSURANCE COVERAGE**

You are hereby notified that under the Terrorism Risk Insurance Act, as amended, that you have a right to purchase insurance coverage for losses resulting from acts of terrorism, *as defined in Section 102(1) of the Act*. The term "act of terrorism" means any act that is certified by the Secretary of the Treasury in consultation with the Secretary of Homeland Security, and the Attorney General of the United States to be an act of terrorism; to be a violent act or an act that is dangerous to human life, property, or infrastructure; to have resulted in damage within the United States, or outside the United States in the case of certain air carrier or vessels or the premises of a United States mission; and to have been committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion. Any coverage you purchase for "acts of terrorism" shall expire at 12:00 midnight December 31, 2020, the date on which the Terrorism Risk Insurance Act is scheduled to terminate, or the expiry date of the policy, whichever occurs first, and shall not cover any losses or events which arise after the earlier of these dates.

YOU SHOULD KNOW THAT WHERE COVERAGE IS PROVIDED BY THIS POLICY FOR LOSSES RESULTING FROM CERTIFIED ACTS OF TERRORISM, SUCH LOSSES MAY BE PARTIALLY REIMBURSED BY THE UNITED STATES GOVERNMENT UNDER A FORMULA ESTABLISHED BY FEDERAL LAW. HOWEVER, YOUR POLICY MAY CONTAIN OTHER EXCLUSIONS WHICH MIGHT AFFECT YOUR COVERAGE, SUCH AS AN EXCLUSION FOR NUCLEAR EVENTS. UNDER THE FORMULA, THE UNITED STATES GOVERNMENT GENERALLY REIMBURSES 85% THROUGH 2015; 84% BEGINNING ON JANUARY 1 2016; 83% BEGINNING ON JANUARY 1, 2017; 82% BEGINNING ON JANUARY 1, 2018; 81% BEGINNING ON JANUARY 1, 2019; and 80% BEGINNING ON JANUARY 1, 2020 OF COVERED TERRORISM LOSSES EXCEEDING THE STATUTORILY ESTABLISHED DEDUCTIBLE PAID BY THE INSURANCE COMPANY PROVIDING THE COVERAGE. THE PREMIUM CHARGED FOR THIS COVERAGE IS PROVIDED BELOW AND DOES NOT INCLUDE ANY CHARGES FOR THE PORTION OF LOSS THAT MAY BE COVERED BY THE FEDERAL GOVERNMENT UNDER THE ACT.

YOU SHOULD ALSO KNOW THAT THE TERRORISM RISK INSURANCE ACT, AS AMENDED, CONTAINS A \$100 BILLION CAP THAT LIMITS U.S. GOVERNMENT REIMBURSEMENT AS WELL AS INSURERS' LIABILITY FOR LOSSES RESULTING FROM CERTIFIED ACTS OF TERRORISM WHEN THE AMOUNT OF SUCH LOSSES IN ANY ONE CALENDAR YEAR EXCEEDS \$100 BILLION. IF THE AGGREGATE INSURED LOSSES FOR ALL INSURERS EXCEED \$100 BILLION, YOUR COVERAGE MAY BE REDUCED.

ACCEPTANCE OR REJECTION OF TERRORISM INSURANCE COVERAGE

LISTED BELOW IS THE ADDITIONAL PREMIUM TO PURCHASE TERRORISM COVERAGE, WHICH IS IN ADDITION TO THE PREMIUM WE HAVE QUOTED OTHERWISE. AT THE TIME OF BINDING YOUR NEW OR RENEWAL COVERAGE, THE FOLLOWING STATEMENT MUST BE COMPLETED AND SIGNED BY THE POLICYHOLDER.

ACCEPTANCE of Terrorism Coverage

| | |
|--------------------------|--|
| <input type="checkbox"/> | I hereby elect to purchase Casualty Terrorism Coverage for certified acts of Terrorism for a prospective premium of \$363 (Please check the box to the left and initial if this is your election) |
| <input type="checkbox"/> | I hereby elect to purchase Property Terrorism Coverage for certified acts of Terrorism for a prospective premium of \$626 (Please check the box to the left and initial if this is your election) |

REJECTION of Terrorism Coverage

| | |
|--------------------------|--|
| <input type="checkbox"/> | I hereby decline to purchase Casualty terrorism coverage for certified acts of Terrorism. I understand that I will have no coverage for losses resulting from certified acts of terrorism. (Please check the box to the left and initial if this is your election) |
| <input type="checkbox"/> | I hereby decline to purchase Property terrorism coverage for certified acts of Terrorism. I understand that I will have no coverage for any losses resulting from certified acts of terrorism. (Please check the box to the left and initial if this is your election) |

Policyholder/Applicant's Signature

Print Name

Date

U.S. Specialty Insurance Company

Insurance Company

HMTP-311686RW

07/01/2017 - 07/01/2018

Policy Number

NORTHFIELD TOWNSHIP

WASHTENAW

Insured Name