

RESOLUTION NO. 12 -2012

Offered by All of Council

A RESOLUTION AUTHORIZING THE MAYOR AND THE FINANCE DIRECTOR TO ENTER INTO AN AGREEMENT WITH OHIO PLAN RISK MANAGEMENT, INC. FOR PROPERTY AND CASUALTY INSURANCE COVERAGE FOR THE VILLAGE AND ITS EMPLOYEES AND DECLARING AN EMERGENCY.

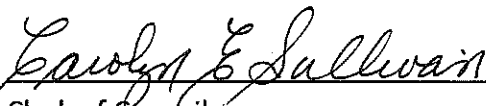
NOW, THEREFORE, BE IT RESOLVED by the Council of the Village of Richfield, Summit County, State of Ohio:

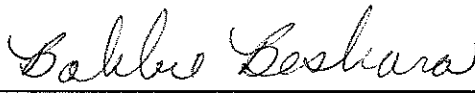
SECTION 1. That the Mayor and the Finance Director be, and they hereby are, authorized and directed to enter into an agreement with Ohio Plan Risk Management, Inc. for the Village's property and casualty insurance effective March 1, 2012 through February 29, 2013, and the same hereby is, accepted in an amount not to exceed \$65,949. A copy of which offer is attached hereto as Exhibit "A" and incorporated herein fully as if by reference. The complete policy is on file in the office of the Finance Director.

SECTION 2. This Resolution is hereby declared to be an emergency measure necessary for the immediate preservation of the public health, safety and welfare and for the further reason that it is immediately necessary in order to be effective March 1, 2012; wherefore, provided this Resolution receives the affirmative vote of two-thirds of the members of Council elected or appointed, it shall take effect immediately upon its passage and execution by the Mayor; otherwise, it shall take effect and be in force from and after the earliest period allowed by law.

PASSED: 2/21/12


President of Council

ATTEST:

Clerk of Council


Mayor

TO: Village Council
Mayor Bobbie Beshara
William Hanna

CC: Carolyn Sullivan
Stephanie Landry
Melanie Baker

FROM: Sandy Turk, Finance Director

RE: Amended 12-2012 Resolution for property and casualty insurance for the February 21, 2012 Council Meeting

Date: February 17, 2012

ACTION BEING REQUESTED		TYPE OF REQUEST	
Approval		Resolution	

The Finance Department requests Resolution No. 12-2012 be amended to the Resolution dated 2/17/2012 and the third reading be suspended and said resolution be adopted at the February 21, 2012 Council meeting to enter into an agreement with Argonaut Insurance Company for property and casualty insurance coverage for the Village and its employees.

The current coverage with Ohio Plan expires on February 29. Ohio Plan's renewal quote came in at \$70,366, a 4.2% decrease from their 2011 premium of \$73,502. Arthur J. Gallagher submitted a quote from Argonaut for \$64,587, a 12.1% decrease, or \$8,915 less than the 2011 premium. I have shared the information with the Insurance Committee as it was received but a formal meeting has not been held to review it. Based on the quotes received it is recommended that the Argonaut quote be accepted. Ohio Plan's service has been outstanding; however, we have utilized Argonaut in the past and have not had any problems with their service. I am asking the original resolution be modified, third reading suspended and adoption of the modified resolution occur at the February 21st meeting to have the policy in place by March 1, 2012.

Three claims were submitted in 2011 with one claim being paid. An automobile repair from a deer hit was paid. Another automobile repair from hail damage was not due to the deductible. The third, submitted by an employee's attorney, was not due to the fact the claim was not covered by the insurance policy.

Let me know if you have any questions.

Village of Richfield Property & Liability Insurance for March 1, 2012-13 Quote Comparison

Key: Shaded area indicates an enhancement. Generally, the only material difference is Gallagher \$10 million umbrella limit versus \$5 million current. But, while low probability, any of the differences could be material depending upon situation.

Item

Current

Gallagher

Insurance Companies

Carrier A.M. Best	Ohio Plan Risk Management not rated	Argonaut Insurance Company A : XII
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Insurance Limits

Property		
Building - Blanket Limit	20,942,683	25,157,803
Personal Property - Blanket Limit	Included in above blanket limit	Included in above blanket limit
Business Income / Extra Expense	250,000	Same
Covered Perils	All Risk' subject to exclusions	Same
Coinsurance	?	agreed amount
Valuation	Replacement Cost	Same
Flood (excludes Zone A locations)	1,000,000	Same
Earthquake	1,000,000	Same
General Liability		
Coverage Form	Occurrence	Same
Per Occurrence	1,000,000	Same
Annual Aggregate	3,000,000	Same
Personal / Advertising Injury	1,000,000	Same
Defense In Addition to Limit?	Yes	Same
Non-liability Medical Expense	10,000	5,000
Fire Legal Liability	1,000,000 (in property coverage)	higher limits desired? 100,000
OH Stop-Gap	1,000,000	Same
Employee Benefits Liability		
Limit - Each Incident	1,000,000	Same
Limit - Annual Aggregate	3,000,000	Same
Coverage Form	Occurrence	Same
Defense In Addition to Limit?	?	Yes
Law Enforcement Liability		
Per Wrongful Act	1,000,000	Same
Annual Aggregate	3,000,000	Same
Coverage Form	Occurrence	Same
Defense In Addition to Limit?	??	Yes
Public Officials Liability (POL)		
Per Wrongful Act	1,000,000	Same
Annual Aggregate	3,000,000	Same
Coverage Form	Claims Made	Same
Retro Date	3/1/2001	Same
Declaratory equitable injunctive relief defense	25,000	Same
Back Wages	25,000	10,000 / 50,000
Defense In Addition to Limit?	?	Yes
Employment Practices Liability		
Per Wrongful Employment Act	Limits & coverage included in POL	1,000,000

Village of Richfield Property & Liability Insurance for March 1, 2012-13 Quote Comparison

Employment Practices Liability - continued			3,000,000
Annual Aggregate			Claims Made
Coverage Form			3/1/2001
Retro Date			Yes
Defense In Addition to Limit?			
Sexual Abuse	?		in GL, coverage form silent
Auto Liability / Physical Damage	1,000,000		Same
Uninsured / Underinsured Motorists	Excluded		Same
Medical Payments	Excluded		Same
Defense in Addition to Limits?	?		Yes
Physical Damage Valuation			
7 scheduled emergency units	Agreed Value		Same
All other vehicles	Actual Cash Value		Same
Equipment Breakdown	20,942,683		25,157,803
Sublimits:			
Expediting Expense	?		100,000
CFC Refrigerants	?		Included
Hazardous Substances	?		100,000
Data Restoration	?		Included
Computer Equipment	?		100,000
Inland Marine			
Miscellaneous Scheduled Equip.	803,899		825,549
Miscellaneous Unscheduled Equip.	100,000		Same
Fire and Rescue Equipment	None		50,000
Hired, Leased Borrowed Equipment	None?		25,000
Electronic Data Processing			
Hardware	550,000		Same
Data Media	25,000		Same
Extra Expense	10,000		Same
Crime			
Employee Theft	100,000		Same
Forgery Alteration	50,000		Same
Monies and Securities - Inside	25,000		Same
Monies and Securities - Outside	25,000		Same
Computer Fraud	25,000		Same
Funds Transfer	25,000		Included
Umbrella / Excess Liability			
Limit	5,000,000		10,000,000
Aggregate	5,000,000		10,000,000
Defense In Addition to Limit?	?		No
Coverage Form	Occurrence		Same
Drop Down Coverage	?		Yes
Follow Form Excess Coverage	?		Yes

**Village of Richfield
Property & Liability Insurance for March 1, 2012-13
Quote Comparison**

Deductibles		
Package		
Property	1,000	Same
Flood	25,000	50,000
Earthquake	25,000	50,000
General Liability	None	Same
OH Stop-Gap	None	Same
Employee Benefits Liability	??	1,000
Law Enforcement Liability	2,500	Same
Public Officials Liability	5,000	Same
Employment Practices Liability	Included in POL	5,000
Auto Liability	None	Same
Auto Phys. Dam.	1,000 comp & coll	Same
Boiler & Machinery		N/A
Deep Well Pumps, Transformers	10,000	1,000
All Other	1,000	1,000
Inland Marine Equipment	1,000	Same
Electronic Equipment / Media	1,000	Same
Crime		
Employee Dishonesty	Nil	1,000
Forgery and Alterations	Nil	1,000
Money and Securities - Inside	Nil	1,000
Money and Securities - Outside	Nil	1,000
Computer Fraud	100	1,000
Funds Transfer	Nil	1,000
Umbrella	None	Same

Costs		
Package Including Excess Liability	(Expiring) 73,502	64,587
Terrorism Option (TRIA / TRIPRA)	?	1,389

The above is only a brief comparison and not a complete summary. Various sublimits, restrictions, limitation, etc. apply. Refer to the proposal and insurance company policy forms and endorsements for complete details.