



CITY OF MILFORD

745 Center Street, Suite 200, Milford, OH 45150
Phone: 513-831-4192
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www.milfordohio.org



To: Honorable Chair Lisa Evans and Members Sandy Russell and Kim Chamberland
Administrative Services Committee

From: Pat Wirthlin, Finance Director *PW*

Date: April 29, 2020

Subject: Allocation of Income Tax Receipts

Recommendation to Reallocate

As a response to COVID-19 budget reductions, Staff recommends that the City immediately reallocate income tax revenue as follows:

Income Tax Revenue Allocation		
<i>Fund</i>	<i>Current</i>	<i>Proposed</i>
General	91%	100%
Parks	5%	0%
Capital	4%	0%

The Uncertainty of it All

The impact of COVID-19 on the City, its economy, budget and finances is unpredictable and rapidly changing. The City does expect possibly significant declines in tax and utility revenue. As a safeguard, the City has placed a freeze on non-essential spending.

This income tax reallocation would free up that revenue for more pressing purposes if necessary. The City would then be at liberty to transfer funds on an "as needed" basis to the Parks and Capital Funds. (Ohio Revised Code allows transfers from General Fund to restricted funds, but not vice-versa in most cases).

Staff Suggestion for Committee Motion

MOTION AUTHORIZING THE LAW DIRECTOR TO PREPARE AN ORDINANCE ALLOCATING INCOME TAX COLLECTIONS 100% TO GENERAL FUND EFFECTIVE IMMEDIATELY FOR THE REMAINDER OF YEAR 2020.



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From: Pat Wirthlin, Finance Director *PW*

Date: April 29, 2020

Subject: Property & Casualty Insurance Renewal 2020/2021 – McGowan Underwriters

Recommendation to Renew

Staff recommends that the City continue its engagement with McGowan Governmental Underwriters for property and casualty insurance for the 2020/2021 coverage period.

Coverage

Coverage includes buildings, vehicles, equipment, contents, cyber, and accidents that cause injury or damage.

~\$51K Renewal

The current renewal of \$51,420 increased ~\$2K from the 2019 renewal amount due the addition of the soon-to be finished park shelter and typical rate increases

Property & Casualty Insurance		
Premiums *		
Year	Amount	
2018	\$	45,823.00
2019	\$	48,765.00
2020 Renewal	\$	51,420.00
* Premium Years run May to May		

Please note that McGowan bid the contract out to two insurers. Zurich had the low bid at ~\$51K. Alternatively, Trident's bid at ~\$67K was 21% higher than previous year.

Staff Suggestion for Committee Motion

MOTION AUTHORIZING THE LAW DIRECTOR TO PREPARE AN ORDINANCE AUTHORIZING AN AGREEMENT WITH MCGOWAN GOVERNMENTAL UNDERWRITERS FOR PROPERTY AND CASUALTY INSURANCE IN THE AMOUNT OF \$51,420 FOR THE PERIOD MAY 13, 2020 TO MAY 13, 2021.

Please see full proposal attached



MCGOWAN GOVERNMENTAL UNDERWRITERS

City of Milford

745 Center Street Suite 200
Milford, OH 45150

Proposed Effective Dates
May 13, 2020 – May 13, 2021

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MCGOWAN GOVERNMENTAL UNDERWRITERS

PREMIUM SUMMARY

Coverages	Premium
Property/IM/Crime Insurance	Included
Liability Insurance	Included
Auto Insurance	Included
Public Official/Employment Practice Liability	Included
Excess Liability	Included
MGU Program Services Fees	Included
Total	\$50,339
Security & Privacy Liability	\$1,081
Grand Total	\$51,420

*25% Minimum **earned premium**

** Premium due upon receipt of invoice

***Premium DOES NOT include TRIA – Additional charge for TRIA \$379

REQUIRED UPON BINDING:

Please note: Signed Documents will be used for policy issuance, if schedules change after policy is issued a premium change could result.

Signed TRIA form
Signed Application
Signed Statement of Values
Signed rejection of UM/UIM if applicable
Drivers List
Fireworks coverage – Copy of certificate from pyrotechnic company



MCGOWAN GOVERNMENTAL UNDERWRITERS

A.M Best Rating Guide

Rating Levels and Categories

Level	Category	Level	Category	Level	Category
A++, A+.....	Superior	B, B-.....	Fair	D.....	Poor
A, A-.....	Excellent	C++, C+.....	Marginal	E.....	Under Regulatory Supervision
B++, B+.....	Very Good	C, C-.....	Weak	F.....	In Liquidation
				S.....	Rating Suspended

Financial Size Categories

(In \$000 of Reported Policyholders' Surplus Plus Conditional Reserve Funds)

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

Copies of the Best's Insurance Reports on the insurance companies are available upon your request.

Carrier	Coverage Quoted	A.M. Best Rating	Admitted
Zurich American Insurance Company	Package	A:XV	Admitted
American Guarantee & Liability Insurance Company	Umbrella	A:XV	Admitted

A Non-Admitted Carrier indicates the carrier is doing business in the state as a surplus lines or non-admitted carrier. As such, this carrier is not subject to the same regulations which apply to an admitted carrier.



MCGOWAN GOVERNMENTAL UNDERWRITERS

SUMMARY OF COVERAGES, LIMITS & DEDUCTIBLE SECTION:

COVERAGE:	PROPERTY LIMITS:	DEDUCTIBLE:
Blanket Building & Contents Limit	\$22,102,295	\$1,000
Pumps & Lift Stations	Included in Building	\$1,000
Flood	\$1,000,000	\$50,000
Earthquake	\$1,000,000	\$50,000
Additional Coverages		
Collapse	Included	\$1,000
Debris Removal	25% of loss	\$1,000
Additional Debris Removal Expense	\$300,000	
Fire Department Services Charge	\$50,000	\$1,000
Pollutant Clean up and Removal	\$250,000	\$1,000
Accounts Receivable	\$250,000	\$500
Animals	\$15,000 each/ \$100,000 agg	\$500
Ordinance or Law Coverage A-Demolition Coverage B-Undamaged Building Coverage C – Increased Cost Construction	Included in Property \$1,000,000 \$1,000,000	\$1,000
Business Income & Extra Expense	\$500,000	\$1,000
Food Contamination	\$100,000	\$1,000
Utility Service Time Element	\$100,000	\$1,000
Sales Tax Revenue Loss	\$100,000	\$1,000
Fine Arts	\$10,000 Per Item/\$100,000 Per Loss	\$500
Foundations, Underground Pipes, Flues or Drains within 1,000 ft	Included	\$1,000
Grounds Maintenance Equipment	\$5,000 per item/\$100,000	\$500
Newly Acquired or Constructed Property Building	\$2,000,000	\$1,000
Business Personal Property	\$1,000,000	
Non-owned Detached Trailers	\$20,000	\$1,000
Outdoor Property	\$250,000	\$1,000
Paved Surfaces	\$100,000	\$500
Property Effects & Property of Others	\$25,000	\$1,000
Portable Audio Visual & Communication Equipment	\$100,000	\$500
Portable Emergency Response Equipment	\$100,000	\$500
Portable Equipment Used in Law Enforcement Operations	\$100,000	\$500
Property Off Premises	\$100,000	\$1,000
Sewer Backup	\$100,000	\$1,000
Theft of Building Material & Supplies	\$100,000	\$1,000
Traffic Lights, Signs, Parking Meters, Fire Hydrants, Guard Rails, Bus Shelters	\$100,000	\$500
Valuable Papers	\$250,000	\$1,000



MCGOWAN GOVERNMENTAL UNDERWRITERS

EQUIPMENT BREAKDOWN

COVERAGE:	LIMITS:	DEDUCTIBLE:
Property	\$22,102,295	\$1,000
Expediting Expense	Included in Property EE Limit	\$1,000
Pollutant Clean Up & Removal	\$250,000	\$1,000
Spoilage	\$100,000	\$1,000

PROPERTY COVERAGE ENDORSEMENTS:

- **Replacement Cost**
- **90% Coinsurance**
- **360 –Additional Coverage Modifications**
- **Liberalization Clause** broadens the coverage provided under property section or the policy without additional premium within 45 days prior to or during the policy period.
- **Loss Payable Clause**
- **Newly Acquired** – automatic up to **120 days** for date of acquisition, real or personal property and business interruption. Flood and earthquake are excluded.
- **Personal Property** of officers and employees of the insured, other than motor vehicles.
- **Policy Territory** includes the United States of America (its territories and possessions), Puerto Rico and Canada.
- **Premise boundary increased to 1000 feet**
- **30 Days Notice of Cancellation** – non-renewal or material change.
- **10 Days Notice of Cancellation** – non-payment



MCGOWAN GOVERNMENTAL UNDERWRITERS

INLAND MARINE

COVERAGE:

LIMITS:

DEDUCTIBLE:

Contractors' Equipment		
Scheduled	\$513,100	\$500
Unscheduled	\$25,000/\$2,500 Max Per Item	\$500
Equipment Borrowed from Others	\$50,000	\$500
Equipment Leased/Rented from Others	\$50,000	\$500
Miscellaneous Property		
Scheduled -Emergency – Police Equipment	\$29,900	\$500
Blanket Unscheduled Property (Property in the Open)	\$54,636/\$10,000 Max Per item	\$500
Blanket Unscheduled Property (Police Equipment)	\$102,194	\$500

- 30 Days Notice of Cancellation Non-Renewal or Material Change
- New acquisitions – 90 day automatic coverage
- Rental Expense Reimbursement
- Valuation -ACV

CRIME

COVERAGE:

LIMITS:

DEDUCTIBLE:

Employee Theft-Per Loss	\$100,000	\$1,000
Faithful Performance of Duty	Included	
Forgery/Alteration	\$100,000	\$1,000
Theft of Money & Securities – Inside	\$25,000	\$1,000
Outside	\$25,000	
Computer & Funds Transfer Fraud	\$100,000	\$1,000

CRIME COVERAGE ENDORSEMENTS:

- 30 Days Notice of Cancellation Non-Renewal or Material Change



MCGOWAN GOVERNMENTAL UNDERWRITERS

GENERAL LIABILITY

COVERAGE:

LIMITS:

DEDUCTIBLE:

General Liability- Annual Aggregate	\$3,000,000	\$0
Products-Completed Operations Aggregate	\$3,000,000	
Personal & Advertising Injury Limit	\$1,000,000	\$0
Each Occurrence Limit	\$1,000,000	\$0
Damage to Premises Rented to You	\$100,000	\$0
Employee Benefits Limit	\$1,000,000/\$3,000,000	\$1,000
Employers Liability (Ohio Stop Gap)	\$1,000,000	\$0
Sexual Abuse/Molestation Limit	\$1,000,000	\$0
Sexual Abuse/Molestation Aggregate	\$1,000,000	\$0

LIABILITY COVERAGE ENDORSEMENTS

Defense in Addition to Limit
Broad Governmental – Specific Definition of Insured
Broadened Pollution for Municipal Exposures-
 Application of pesticides/herbicides
 Chemicals to treat pool
 Road salt or chemicals used for snow/ice removal on roads
 Mobile Equipment
Employees/Volunteers as Insureds
Expanded Definition of Bodily Injury to include mental anguish, mental injury, shock, fright
Watercraft Liability – up to 51 ft
EMT, Paramedic & Nurses Liability
Good Samaritan Liability
Host Liquor Liability
Broadened Contractual Liability
Limited Contractual Liability for Personal Injury
Broadened Property Damage Liability

POLICE PROFESSIONAL LIABILITY

Police Professional Liability	\$1,000,000	\$5,000
Police Professional Aggregate	\$3,000,000	

POLICE PROFESSIONAL ENHANCEMENTS

Broad coverage for law enforcement wrongful acts including off duty moonlighting
Broad definition of insured
Broad definition of Wrongful Act/Occurrence including Personal Injury
Civil Rights coverage
Expanded Definition of Bodily Injury to include mental anguish, mental injury, shock, fright
Included punitive or exemplary damages where allowable
Defense in Addition to Limit



MCGOWAN GOVERNMENTAL UNDERWRITERS

PUBLIC OFFICIAL LIABILITY

Public Official Liability Each Wrongful Act	\$1,000,000	\$5,000
Public Official Liability Annual Aggregate	\$3,000,000	
Non - Monetary defense limit (Does not reduce policy limits)	\$25,000	\$5,000
Retro Active Date:	05/13/1996	

PUBLIC OFFICIAL COVERAGE ENDORSEMENTS

Defense in Addition to Limit
Included punitive or exemplary damages where allowable
Civil Rights
Crisis Event coverage for Public Officials

EMPLOYMENT PRACTICE LIABILITY

Employment Practice & Third Party Discrimination Liability Each Wrongful Act	\$1,000,000	\$5,000
Employment Practice & Third Party Discrimination Liability Annual Aggregate	\$3,000,000	
Retro Active Date:	05/13/1996	

EMPLOYMENT PRACTICE ENHANCEMENTS

Defense in Addition to Limit
Third Party Discrimination included
Business Invitee (Third Party) covering emotional distress, sexual harassment, discrimination and other allegations
Broad definition of claim including regulatory proceedings, arbitration hearings, EEOC hearings, back and front wages, non-monetary



MCGOWAN GOVERNMENTAL UNDERWRITERS

AUTOMOBILE

COVERAGE:	LIMITS:	DEDUCTIBLE:
Automobile Liability	\$1,000,000	None
Uninsured/Underinsured Motorists Liability	No coverage	N/A
Medical Payments	\$5,000	None
Comprehensive		\$0
Collision		\$0
Non-Owned Liability	\$1,000,000	None
Hired Car Liability	\$1,000,000	None
Hired Car Physical Damage	\$50,000	\$1,000

AUTOMOBILE COVERAGE ENDORSEMENTS:

Employees/Volunteers as Insured

Fleet Coverage-up to 10 vehicles added during the year except Emergency vehicles and vehicles valued greater than \$100,000. Reporting required of added vehicles. Vehicle changes must be reported within 30 days of purchase.

Fellow Employee Coverage

Broadened definition of bodily injury

Rental Reimbursement - \$3000

Lease Gap

Loss caused by freezing of permanently attached special equipment (not engine)

EXCESS

Excess Liability Each Occurrence	\$5,000,000	None
Excess Liability Silo Aggregates	\$5,000,000	
Follow form over:		
General Liability		
Public Official Liability		
Employment Practice Liability		
Automobile Liability		
Employers Liability (Ohio Stop Gap)		
Law Enforcement Liability		

EXCESS COVERAGE ENDORSEMENTS:

Silo Aggregate



MCGOWAN GOVERNMENTAL UNDERWRITERS

SECURITY AND PRIVACY PROPLUS

COVERAGE:	LIMITS:	DEDUCTIBLE:
Liability Coverage:		
Security & Privacy Coverage Each Event	\$1,000,000	\$10,000
Regulatory Proceedings Coverage	\$1,000,000	\$10,000
Non -Liability Coverage:		
Privacy Breach Costs	\$1,000,000	\$10,000
Supplemental Payments Extensions:		
E-Discovery Expense	\$5,000	N/A
Public Relations Expenses	\$5,000	N/A
Digital Assets Replacement	\$250,000	\$10,000
Cyber Extortion Threat & Reward	\$250,000	\$10,000

SECURITY AND PRIVACY ENDORSEMENTS:

Claims Made

Defense Included in Limits of liability

Broad definition of Loss including: Punitive Damages, Exemplary Damages or Multiple Damages



MCGOWAN GOVERNMENTAL UNDERWRITERS

COVERAGE EXCLUSIONS:

PROPERTY COVERAGE:

- Broad Form Nuclear Contamination
- Acts of Terrorism unless other wised purchased.
- Delay or loss or market, or any other consequential or remote loss of any kind.
- Dishonest criminal acts by you, your partners, employees, directors or anyone to whom you entrust the property for any purpose.
- Earth Movement unless purchased
- Errors in Machine Programming or Instructions to Machines.
- Land
- Loss or damage as a result of insects, vermin, birds, or other animals.
- Loss of Earnings to Finished Stock, including time required to reproduce.
- Water/Flood Damage unless purchased

EQUIPMENT BREAKDOWN

- Corrosion, Erosion, Wear & Tear Exclusion
- EDP Media Exclusion – defect, virus, loss of data or other situation
- Fines

GENERAL LIABILITY COVERAGE:

- Asbestos Exclusion
- Aircraft, auto
- Bodily injury to any insured
- Bodily injury to any person injured while taking part in athletics
- Nuclear Energy Liability Exclusion
- Pollution Exclusion – except for hostile fire
- Professional Services Exclusion
- Workers Compensation
- War
- Watercraft over 51'

PUBLIC OFFICIAL LIABILITY COVERAGE:

- Sexual abuse and misconduct
- Pollution
- War
- Bodily injury to employee
- Issuance of bonds/ tax assessment or valuations of properties/tax collection
- Dishonest, fraudulent, criminal, malicious or intentional act excluded for loss, but not for defense costs. If guilty, required to reimburse. Exclusion does not apply to an insured who did not commit, participate in, or have knowledge of any of the described acts.
- Civil or criminal fines or penalties
- Prior or pending litigation
- Employment liability claims
- Collective bargaining agreement; lockout, strike, labor disputes or labor negotiations, union grievances
- Claim for equitable or injunctive relief initiated by a governmental entity



MCGOWAN GOVERNMENTAL UNDERWRITERS

EMPLOYMENT PRACTICE LIABILITY

- Collective bargaining agreement
- Lockout, strike, labor disputes or labor negotiations, union grievances
- FLSA/MLRA/WARN/COBRA/ERISA/PBA/OSHA
- Dishonest, fraudulent, criminal, malicious or intentional act excluded for loss, but not for defense costs. If guilty, required to reimburse. Exclusion does not apply to an insured who did not commit, participate in, or have knowledge of any of the described acts Claim for equitable or injunctive relief initiated by a governmental entity

LAW ENFORCEMENT LIABILITY COVERAGE

- Property in care, custody, control except for property on persons in custody, arrest, incarcerated.
- Breach of Contract, except mutual law enforcement agreements
- War
- Bodily injury to employee
- Employment liability claims
- Dishonest, fraudulent, criminal, malicious or intentional act excluded for loss, but not for defense costs. If guilty, required to reimburse. Exclusion does not apply to an insured who did not commit, participate in, or have knowledge of any of the described acts Collective bargaining agreement; lockout, strike, labor disputes or labor negotiations, union grievances

AUTOMOBILE COVERAGE

- War /Nuclear Energy
- Pollution

CRIME COVERAGE

- Criminal Acts- only excludes individual insured who committed act
- Bonded Employee-unless amended
- Governmental Action
- Legal Expense
- War/Nuclear Actions

INLAND MARINE COVERAGE EXCLUSIONS:

- Vehicles used for road use
- Real property & buildings
- Aircraft
- Wear & tear, inherent vice, freezing
- Mysterious disappearance or shortage disclosed by taking inventory
- Flood, surface water



MCGOWAN GOVERNMENTAL UNDERWRITERS

MGU PROGRAM SERVICES:

McGowan Governmental Underwriters strives to provide excellent service to our clients. The services provided under this proposal include:

Marketing representative's continuous availability
Return of phone calls/questions same day
Review of all coverage's, limits, deductibles on proposals and policies when issued
Client Meeting to review exposures, coverage's, and limits on account at 6 months into policy term

Service:

Placement of insurance program with insurance carriers
Binder Issuance
Review of policy received from carrier for accuracy
Policy Delivery to insured
Claim Kit information which will include Automobile identification cards
Certificate issuance –same day
Policy changes - endorsement processing
Review of all material from insurance carriers to ensure accuracy
Reporting and processing of claims and claim questions
Claim Reporting/Management Service

Risk Management:

Loss Analysis of loss prevention programs currently in place
Client meeting for claim review at 6 months for loss leaders, claim issues
Contract review for insurance requirements
Assistance with policy and procedures – review or setup of new
Diversity or Sexual Harassment Seminars

Proposal Disclaimer

The proposal is an outline of the coverages proposed by the insurers, based on the information provided by your entity. It does not include all the terms, coverages, exclusions, limitations, or conditions of the actual contract language. The policies themselves must be read for those details. Policy forms for your reference will be made available upon request.

MGU shall receive its usual and customary brokerage commission for services provided. In addition to or in lieu of MGU can charge a Service Fee. These commissions and fees are usually offset with commissions to the Client's insurance agent.

These commissions/fees are included in the premium invoice provided to the Client.

Actuarial Disclaimer

The information contained in this proposal is based on the historical loss experience and exposures provided. This proposal is not an actuarial study.