



DATE: July 27, 2016

TO: Gene Winstead, Mayor
City Council Members
Jamie Verbrugge, City Manager

CC: Lori Economy-Scholler, CFO

FROM: Amy Larson, Risk and Litigation Manager 

RE: 2016-17 Insurance Renewals

BACKGROUND

Since 1986, the City has placed its property/casualty insurance coverages with the League of Minnesota Cities Insurance Trust (LMCIT Package Policy). The City routinely solicits quotes from other insurance companies, but has been unable to find coverage similar to the LMCIT Package Policy at an affordable price.

In addition to the LMCIT Package Policy, there have been other policies that have been renewed for the 2016-17 insurance year with other insurance companies (see 2016-17 Other Policy Renewals section). The Medical Professional Liability policy for the Health Division was renewed with Evanston Insurance Company as of 6/1/16; the Liquor Liability policies for both golf courses were renewed with Scottsdale Insurance Company as of 12/31/15.

In addition to the information contained in this memo, Attachment A sets forth in more detail the 2016-17 renewal premiums and coverage limits; Attachment B provides a historical snapshot of the City's insurance premiums and coverage for the past five (5) years; Attachment C is a copy of the Insurance Proposal from the City's broker; and finally, Attachment D is LMCIT's waiver where the City may elect to waive its statutory tort limits.

This memo relates to both the renewal of the LMCIT package policy as well as the other previously identified policies that are renewed throughout the year. The specific recommendation for this agenda item is to request Council approve the LMCIT insurance package policy for property/casualty insurance with the same deductibles and coverages as the expiring policies.

2016-17 LMCIT PREMIUM SUMMARY

The 2016-17 LMCIT Package Policy renewal premium of 499,892 shows a 6% decrease from the expiring 2015-16 premium of 532,915. A break out of the three (3) different types of insurance included within the Package Policy, as well as a discussion of all the renewal premiums, is included below and also summarized on Attachments A-C.

The decrease is likely due to the decrease in the City's experience modification from 1.038 to 0.968, as well as a decrease in the rates for the individual coverages.

The experience modification (or experience mod), used by LMCIT to arrive at our premium, is calculated using all claims, both open and closed, that have been filed against the City's package policy during a three (3) year timeframe. The current rating formula for the 2016-17 experience mod looks at losses for the past three (3) years, excluding the most recent year. The rating formula takes into consideration the City's loss frequency, so as the number of claims/losses increase, so does the experience mod.

Municipal Liability

The renewal premium quoted by LMCIT is \$269,950. This is a decrease of \$22,180, or 8%, from last year's premium of \$292,130. In addition to the basic municipal liability coverages, the municipal liability portion of the LMCIT package policy includes attorney professional, crime, fireworks, and Minnesota Petrofund Reimbursement coverages. The current deductible for this coverage is \$100,000 per occurrence with an annual self-insured retention aggregate of \$275,000.

Property

The deductible for all property coverages except Boiler and Machinery/Equipment Breakdown remains at \$50,000 per occurrence. The deductible for Boiler and Machinery/Equipment Breakdown is \$5,000 per occurrence.

Real Property

This coverage applies to property that is owned by the City, i.e. buildings, contents, property in the open, etc. This year's renewal quote of \$102,115 is a decrease of \$2,692, or 3%, over last year's premium of \$104,807.

Boiler and Machinery/Equipment Breakdown

This coverage applies to non-mobile equipment such as: wastewater system equipment (pumps, motors, etc.), air conditioning and heating equipment, electrical wiring, etc. The as-is renewal quote is \$26,180, an increase of \$397, or 2%, over last year's premium of \$25,783.

Inland Marine

Inland Marine coverage pertains to moveable property such as vehicles that do not have a license plate, front end loaders, etc. The renewal quote is \$21,211, a decrease of \$1,991 or 9% over last year's premium of \$23,202.

Bond Coverage

The City's Bond coverage is separate from its Crime coverage, and has been included under the umbrella of the Municipal Liability policy since the 2003-2004 renewal. The bond coverage takes the place of statutorily required bonds for certain positions. Included as a named insured under this coverage are the Bloomington Port Authority, the Bloomington HRA, and the Bloomington Fire Relief Board. The renewal quote for this coverage is \$2,170, an increase of \$210, or 11%, over last year's premium of \$1,960.

Automobile

This coverage applies to all licensed motor vehicles that the City owns. The renewal premium quoted by LMCIT is \$ 78,041, a decrease of \$6,742 or 8% over last year's premium of \$84,783. The deductible remains at \$50,000 per occurrence.

LMCIT LIABILITY WAIVER FORM

LMCIT gives cities options for structuring their liability coverage. As in the past, the City must decide whether or not to waive the statutory tort liability limits to the extent of the coverage purchased. In the past, the City has chosen not to waive its statutory tort limits. It is important to note that choosing to waive the limits does not provide the City with any additional coverage for claims filed against the City; rather it increases the potential maximum payout per claimant/occurrence filed against the City's policies. See Attachment D. It remains my recommendation that the City not waive its statutory tort liability limit protection.

2016-2017 OTHER POLICY RENEWALS

For the 2016-17 policy year, the Medical Professional/Commercial General Liability policy for the Health Division was placed again with Evanston Insurance Company. The renewal premium was \$14,300, a \$5,996 or 30% decrease from the expiring premium of \$20,296.

As of December 31, 2015, the Liquor Liability policies for both Dwan and Hyland Golf Courses were renewed with the Scottsdale Insurance Company for a total premium of \$2,267, a decrease of \$206, or 8% from the expiring premium of \$2,473.

Attachment A contains the specific details of each policy renewal and Attachment B shows the historical premium costs for each of these coverages.

RECOMMENDATIONS

1. Renew the LMCIT package policy with the same deductibles and coverages as the expiring policies.
2. The City not waive its statutory tort liability limits.

INSURANCE RENEWAL SUMMARY

POLICY	CURRENT LIMITS	CURRENT DEDUCTIBLE	PREMIUM
Property	\$ 215,635,881	\$50,000 per occurrence	\$ 102,115
Boiler Coverage	\$ 100,000,000	\$ 5,000 per occurrence	\$ 26,180
Inland Marine	\$ 15,031,745	\$50,000 per occurrence	\$ 21,211
Municipal Liability*	\$2,000,000 per occurrence	\$100,000 per occurrence/ \$275,000 aggregate	\$ 270,175
Auto Liability & Physical Damage	\$2,000,000 per occurrence	\$50,000 per occurrence	\$ 78,041
Crime	\$ 250,000	\$50,000 per occurrence	included with bond below
Bond	\$1,000,000 Public Employee Performance	\$50,000 per occurrence	2,170
LMCIT Subtotal			\$ 499,892
Clinic Policy	\$1,000,000 per occurrence/\$3,000,000 aggregate	\$10,000 per occurrence	\$ 14,300
Liquor Liability	\$1,000,000 per occurrence/\$1,000,000 aggregate	\$ 1,000 per occurrence	\$ 2,267
Other Policies Subtotal			\$ 16,567
Total Insurance Renewal			\$ 516,459

* The municipal liability total includes \$225 for fireworks coverage.

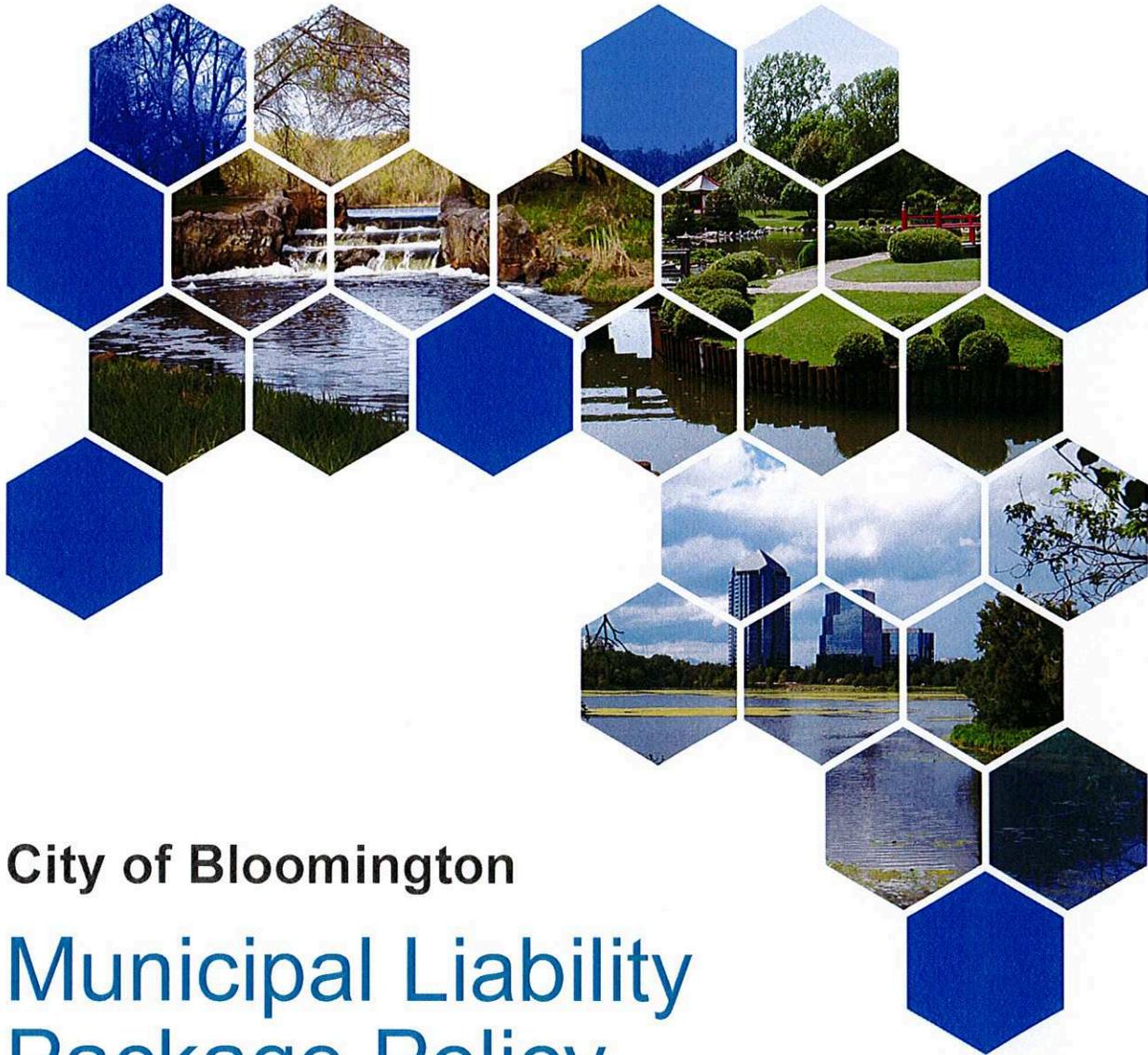
The Minnesota Petrofund Reimbursement premium continues to be absorbed into the municipal liability.

INSURANCE PREMIUM COMPARISON

Year	Property	Boiler and Machinery	Municipal Liability	Crime	Bonds	Inland Marine	Auto	Clinic	Miscellaneous**	Total
6/1/11-6/1/12	109,111	24,527	217,268	n/a	1,967	18,913	64,369	25,893	6,390	468,438
6/1/12-6/1/13	112,106	24,490	257,984	n/a	1,917	20,909	83,018	25,375	6,313	532,112
6/1/14-6/1/15	112,365	26,952	301,766	n/a	1,967	22,424	85,432	24,558	2,472	577,936
6/1/15-6/1/16	104,807	25,783	292,380	n/a	1,960	23,202	84,783	20,296	2,472	555,683
6/1/16-6/1/17	102,115	26,180	270,175	n/a	2,170	21,211	78,041	14,300	2,267	516,459

**includes the Liquor Liability policies for the golf courses.

Attachment B



City of Bloomington
**Municipal Liability
Package Policy**

**Insurance Proposal for Policy Period
June 1, 2016 to June 1, 2017**

Aon Risk Services Central, Inc
5600 West 83rd Street
8200 Tower, Suite 1100
Minneapolis, MN 55437



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This insurance document is furnished to you as a matter of information for your convenience. It only summarizes the listed proposed policy(ies) and is not intended to reflect all the terms and conditions or exclusions of such proposed policy(ies). Moreover, the information contained in this document reflects proposed coverage as of the effective date(s) of the proposed policy(ies) and does not include subsequent changes. This document is not an insurance policy and does not amend, alter or extend the coverage afforded by the listed proposed policy(ies). The insurance afforded by the listed proposed policy(ies) is subject to all the terms, exclusions and conditions of such policy(ies).

The services and placements outlined in this proposal will be provided in accordance with the terms of the notices and policies set forth in our Compensation Agreement or Engagement Letter.

I. Executive Summary

Thank you for the opportunity to be of service to the City of Bloomington. This proposal highlights the Municipal Liability Package Policy renewal through the League of Minnesota Cities Insurance Trust (LMCIT). In addition to the LMCIT Package Policy, the Medical Professionals Liability renewal premium for the Bloomington Public Health is also included in the premium summary.

The League of Minnesota Cities Insurance Trust (LMCIT) renewal premiums decreased 6 percent from the expiring policy. Rate reductions and continued improvement in the City's overall loss experience contributed to the overall premium savings. In 2016, the City's Experience Modification Factor (Experience Mod) decreased from 1.038 to 0.968. The Experience Mod is primarily based on losses for the past three years, excluding the most recent year. The Aggregate Experience Modification Factor (Aggregate) applies to lines of coverage with Aggregate limits (i.e., liability), and it is derived from previous loss activity and LMCIT actuarial input based on overall City risk. It also decreased by 1 percent from 1.049 to 1.043 as of the 2016 renewal. The decreases in rates and Experience Mod both contributed to the overall premium decrease. The following is a summary of the premium reductions by line of coverage:

- Property premium decreased by 3 percent
- Auto liability premium decreased by 7 percent
- Municipal liability premium decreased by 8 percent

The Medical Professionals Liability policy was taken out to market and was renewed with a 30 percent reduction in premium from \$20,296 to \$14,300.

Insured's Acknowledgment and Instruction to Bind

We hereby acknowledge receipt and review of the information presented in the Renewal Proposal ("Proposal") dated 7/18/2016 for Municipal Liability Package Policy. We hereby instruct Aon Risk Services to bind the insurance program(s) selected by us and understand that our instruction to bind constitutes an acceptance of the terms and conditions and payments described in this Renewal Proposal.

Date:

Gene Winstead, Mayor

Date:

James D. Verbrugge, City Manager

Date:

City Attorney
Reviewed and Approved by the City Attorney

Team Chart

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II. Premium Summary

Line of Coverage	Expiring 6/1/2015 to 6/1/2016	Proposed 6/1/2016 to 6/1/2017
Carrier	LMCIT	LMCIT
Package Policy		
• Property	\$104,807	\$102,115
• Equipment Breakdown	\$25,783	\$26,180
• Inland Marine	\$23,202	\$21,211
• Municipal Liability	\$292,130	\$269,950
• Commercial Auto	\$84,783	\$78,041
• Performance & Employee Dishonesty Bond and Crime	\$1,960	\$2,170
• Fireworks Extension	\$250	\$225
• Total Premium	\$532,915	\$499,892
Other Policies/Broker Fee	Current Term Premium	Current Term Premium
Public Health Clinic Liability Policy including Medical Professional Liability	6/1/2015-16 \$20,296	6/1/2016-17 \$14,300
Aon Risk Services, Inc. – Annual Service Fee	3/31/2015-16 \$32,230	3/31/2016-17 \$30,985

Exposures	Expiring 6/1/2015 to 6/1/2016	Proposed 6/1/2016 to 6/1/2017	Change
Property (total insured values)	\$212,564,136	\$215,635,881	+1%
Inland Marine (total insured values)	\$14,983,088	\$15,031,745	+1%
Automobiles (# of autos)	386	384	+1%
Municipal Liability			
• Expenditures	\$160,797,801	\$164,148,041	+2%
• Land Use (# of households)	38,088	38,759	+1%
• Sewer Backups (# connections)	25,214	25,214	0%
• Employment (# FTE)	577	584	+1%
• Police (# FTE)	118	123	+4%

Experience Modification Rates	Expiring 2015	Renewal 2016
Experience Modification Factor	1.038	.968



III. Policy Details

Municipal Package Policy

Insurance Company:	League of Minnesota Cities Insurance Trust (LMCIT)
Policy Term:	June 1, 2016 to June 1, 2017
Policy Number:	CMC 39156

General Policy Provisions

Policy Deductible Summary- By line of Coverage

Property, Employee Faithful Performance Bond, – Each Claim	\$50,000
Equipment Breakdown Coverage – Any one Accident	\$5,000
Crime (Money and Securities/Forgery) – Each Claim	\$50,000
Petrofund Claims, Open Meeting Law Defense Cost Reimbursement	\$0
Municipal General Liability, Fireworks, Attorney Liability – Each Occurrence	\$100,000
Aggregate Deductible	\$275,000
Maintenance Deductible*	\$5,000
<p style="padding-left: 40px;">*If the Annual Aggregate of \$275,000 is exceeded in the policy period, the maintenance deductible applies per claim.</p>	
Automobile—Each Claim	\$50,000

Statement of Defense Costs

Limits for the following Liability coverage parts INCLUDE the cost of defense: Limited Pollution, Outside Organization and Land Use/Development Damages. (Damages do not include claim adjuster fees)

Defense costs for ALL OTHER coverage parts are OUTSIDE of the limit of liability and unlimited.

Claims Made Coverage form Retroactive Dates

- Municipal Liability 6/1/1987
- Limited Pollution/Lead or Asbestos 6/1/1987
- Open Meeting Law 6/1/2010

Named Insured – Definition of City Includes

- Bloomington Housing and Redevelopment Authority
- Bloomington Port Authority
- Membership of the Bloomington Volunteer Fire Department
- Bloomington Fire Department Relief Association

Municipal Package Policy

Property and Inland Marine	
General Coverage Description:	Property insurance covers City's interest against direct physical loss or damage by covered causes of loss to named property that the City owns or is required to insure
Perils	Special Form: All perils are covered except those specifically excluded such as flood (see water and supplemental flood coverage), earthquake, Nuclear, War and utility interruption
Schedule of Locations and Values:	Per Schedule of Covered Property in policy
Total All Property covered under this policy – blanket limit Subject to specific property limits per schedule – Up to a maximum limit of 150% of the estimated replacement cost shown on the schedule	\$ 230,667,626
Limit (Building, Contents, Property in the Open): <i>Subject to specific property limits per schedule</i>	\$ 215,635,881
Scheduled Equipment Over \$25,000 See Attached Schedule	\$12,058,228
Unscheduled Equipment Under \$25,000	\$ 2,973,517
Deductible:	\$50,000 Each Occurrence
Valuation:	Replacement Cost
Covered Property	<ul style="list-style-type: none"> • Building/Contents per Schedule • Property In The Open per Schedule • Mobile Property Inland Marine Scheduled items more than \$25,000 • Mobile Property Inland Marine Unscheduled items \$25,000 or less
Terrorism Loss Occ-Shared Limit	\$50,000,000 Annual Aggregate
For damages caused by chemical or biological contamination or by cyber- terrorism or discharge of pollutants	\$1,000,000 Annual Aggregate
Loss of Revenue, Extra Expense and Expediting Expense	\$5,000,000 Per Occurrence

Municipal Package Policy (continued)

Property and Inland Marine	
Demolition and Debris Removal per occurrence	<ul style="list-style-type: none"> • Direct Physical Damage to Covered property - 25% of the estimated replacement cost of covered property • No Direct Physical Damage to Covered Property \$50,000 per occurrence
Pollutant Cleanup and Removal per location	\$250,000
Accounts Receivable	\$500,000 per location
Valuable papers and Records	\$500,000 per location
Extraordinary Expense	\$250,000 annual Aggregate
Utility Services	\$100,000 per occurrence
Data Security Breach -Expenses	\$250,000 Annual Aggregate (First Party)*
Newly Acquired Covered Property	\$5,000,000
Buildings or "Property In the Open" in the Course of Construction, Alterations, Repair	\$2,000,000 any one location
Vacant Buildings	Fair market value of building (demolition, debris removal and pollutant cleanup are within the limit)
Property Not Covered:	<ul style="list-style-type: none"> • Aircraft • Automobiles (licensed) • Animals (except police dogs) • Bridges or Other Paved Surfaces (except golf course property) • Cost of Excavations and Grading etc. • Crops and Lawns (except golf course property) • Pilings, Piers, Wharves or Docks • Underground Buried Pipes, Flues or Drains • Foundations of Buildings, etc. (if below the lowest floor surface) • Retaining Walls (if not part of specified property)

*Data Security Breach – Expenses coverage includes the following coverage:

- Outside legal expenses to review the *breach* and how to respond to it
- Expense of professional IT forensics needed to determine the extent of the *breach*
- Providing notices to any person whose *personal information* has been acquired
- Cost of notifying consumer reporting agencies
- Cost of providing a credit report and up to one year's credit monitoring service notice to any person whose *personal information* was acquired
- Any other reasonable expenses incurred to respond to the *breach*

This coverage has an annual aggregate limit of \$250,000. The City can purchase an additional \$250,000 limit of coverage (\$500,000 total aggregate limit) for an additional charge based on the City's annual expenditures.

Note – the City has liability coverage for claims that fall within the definition of Data Security Breach. These claims are subject to a \$3 million aggregate limit. Additional information on the liability portion of this coverage is explained later in the document.

Municipal Package Policy (continued)

Property and Inland Marine	
Water and Supplemental Floods General Coverage Description:	Flood, surface water, overflow of any body of water, mudslide, water that backs up or overflows from a sewer or drain
Covered Locations:	Buildings and contents or property in the open or builders risk property described in schedule
Limit of Liability / Loss Limit:	\$500,000 Per Occurrence
	\$500,000 Annual Aggregate
Deductible:	\$50,000 Per Occurrence
IMPORTANT: Refer to Scheduled Property and Code on the policy	
Code A:	<ul style="list-style-type: none"> Coverage applies with no additional exclusions (only locations determined eligible by FEMA/FIRM maps to be outside the 500 year flood plain, and designated Code A on the policy)
Code B:	<ul style="list-style-type: none"> Coverage applies in addition to and in excess of the applicable National Flood Insurance Program (NFIP) coverage (only if the City has purchased both the NFIP maximum coverage and the LMCIT Supplemental Flood Coverage) (not available for property in the open)
Code C:	<ul style="list-style-type: none"> No coverage for any loss or any damage resulting from any Occurrence for which a National Flood Insurance Program would cover any loss or any damage (coverage for non-flood water damage and overflow of any body of water, and any additional flood related causes described in the policy).

Municipal Package Policy (continued)

Property and Inland Marine		
Equipment Breakdown General Coverage Description:	Equipment Breakdown, also referred to as Boiler and Machinery, is a type of property insurance that covers boilers and other pressure vessels, fired and unfired, as well as machinery, heating, cooling equipment, or electrical apparatus.	
Blanket Limit-All Scheduled Locations:	\$100,000,000 Any One Accident	
Newly Acquired Locations	\$5,000,000	
Loss of Revenue and Extra Expense	\$5,000,000 Any One Accident	
Deductible:	\$5,000 Any One Accident	
Sub-Limits	Service Interruption	\$250,000
	Perishable Goods	\$250,000
	Data Restoration	\$100,000
	Demolition and ICC	\$250,000
	Expediting Expense	\$250,000
	Pollutants	\$250,000
	CFC Refrigerants	\$250,000
	Ice Rink Buried Piping	\$250,000
Coverage Includes:	Comprehensive Form Boiler and Machinery Excluding Production Equipment	
Coverage Exclusions Include but not Limited to:	Depletion, deterioration, corrosion, erosion, wear and tear or other gradually developing conditions	
	Earth movement including but not limited to earthquake, subsidence, sink hole, landslide, tsunami or volcanic action	

Municipal Package Policy (continued)

Crime	
General Coverage Description:	See below by coverage part
Limit of Liability / Loss Limit:	\$250,000 Per Occurrence
Deductible:	\$50,000 Per Occurrence
A: Theft, Disappearance, Destruction –Inside Premises	<ul style="list-style-type: none"> Pays for the loss of, and loss from damage to, the property that contains the money and securities; and loss from damage to the premises resulting directly from the theft or attempted theft.
B: Theft, Disappearance, Destruction –Outside Premises	<ul style="list-style-type: none"> Pays for the loss of money and securities resulting directly from the theft, disappearance, or destruction outside the premises in the care, custody and control of a messenger or an armored motor vehicle.
C: Forgery or Alteration (instruments of payment)	<ul style="list-style-type: none"> Pays for the loss involving instruments of payment resulting directly from the forgery or alteration of, on or in any instruments of payment.
	<ul style="list-style-type: none"> If the City is sued for refusing to pay any instrument of payment, LMCIT will pay any reasonable legal expenses incurred. Defense costs are in addition to the applicable limit of coverage.
Coverage Exclusions including but not limited to:	<ul style="list-style-type: none"> Accounting or mathematical errors Dishonest acts of your employees Fire

Municipal Package Policy (continued)

Faithful Performance and Employee Dishonesty	
General Coverage Description:	Failure of a City employee to properly perform duties or obligations of position as required by law and which would constitute malfeasance, willful neglect of duty or bad faith discovered by City during the policy period
Limit:	\$1,000,000 Any One Occurrence
Deductible:	<p>\$50,000 Any One Occurrence</p> <p>Relief Associations, Port Authority or Economic Development Authority Bonds are required by State Statute to carry a \$0 deductible. Therefore, if there is a claim against the Relief Association, Port Authority or Economic Development Authority, the LMCIT will pay the full amount of the claim and the City will be billed for the deductible amount.</p>
Coverage:	<p>Reimbursement for reasonable auditing and accounting costs incurred to establish the existence and the amount of a covered loss, but in no case will this reimbursement exceed 25% of the amount of the covered loss. This reimbursement is in addition to the coverage limit.</p> <p>Discovery is when the City first becomes aware of facts that give you reason to believe a loss may have occurred.</p> <p>Includes Relief Association Members, Officers, and Employees.</p>
Excluded:	<ul style="list-style-type: none"> Joint Powers Entity, unless specifically named Governmental Action – seizure or destruction of property Inventory shortages

Municipal Package Policy (continued)

Petrofund	
General Coverage Description:	Reimburse the City for damage it has been required to pay for taking corrective action and to compensate third parties for bodily injury and property damage caused by an accidental tank release.
Limit:	
Reimbursable Costs and Defense Costs	\$250,000 Each tank release \$250,000 Aggregate
Deductible:	None
Coverage Stipulation:	Underground tanks must be registered with the Minnesota Pollution Control Agency

Municipal Package Policy (continued)

Comprehensive Municipal Liability (Including Public Officials' Errors and Omissions)		
General Coverage Description:	City's legal liability to members of the public for claims arising out of your premises, operations, products, or completed operations	
Limit:		
Each Claimant Tort Cap Liability Limit	\$500,000	
Each Occurrence Tort Cap Liability Limit	\$1,500,000	
Each Occurrence Limit	\$2,000,000	
Products/Completed Operations Aggregate	\$3,000,000	
Failure To Supply Claim Aggregate	\$3,000,000	
Electromagnetic Fields Annual Aggregate	\$3,000,000	
Mold Claim Limit	\$3,000,000	
Fire Damage Limit	\$2,000,000	
Medical Expense Limit	Not Covered	
Limited Pollution Liability	\$2,000,000 Per "sudden" Occurrence \$3,000,000 Annual Aggregate	
Outside Organization Limit	\$100,000 Annual Aggregate	
Land Use Regulation Limit	\$1,000,000 Annual Aggregate (includes litigation costs)	
Deductible:	\$100,000 Per Occurrence	
	\$ 275,000 Annual Aggregate	
Maintenance Deductible (after aggregate is met)	\$5,000 Per Occurrence	
Retroactive Dates	Municipal Liability	06/01/1987
	Limited Pollution	06/01/1987

Municipal Package Policy (continued)

Comprehensive Municipal Liability	
Additional Liability Coverage's Included	<ul style="list-style-type: none"> • Includes coverage for any Boards or Committees doing work on behalf of the City • Employees as Additional Insured (Including Elected Officials and Volunteers while acting within the scope of their business) • Failure to Supply Utilities, including electricity, gas, water or steam • Incidental Malpractice-including Paramedical Services • Employment Practices Liability -including claims under the federal and state Fair Labor Standards Acts (FLSA). LMCIT will cover overtime and other compensation amounts the City is determined to owe because of an FLSA violation or violation of any law prohibiting discrimination in employment. • Employee Benefits Liability • Firefighters' Professional Liability • Fiduciary Liability (for relief association board members) • Coverage for claims and litigation for claims arising from the activities of a joint city-township zoning board created under orderly annexation agreements. This extends to the town and town officers and employees if they are named in a claims arising from the joint board's activities.
Exclusions: (not all inclusive, refer to policy)	<ul style="list-style-type: none"> • Any Operations Associated with the Ownership of an Airport. • Any Ownership/Operations of a Municipal Hospital or Nursing Home. • Any Injury to a Volunteer Fireman • Failure or bursting of any: <ul style="list-style-type: none"> a. DNR Class I or II Dam b. Any dike, levee, or similar structure. • The Policy Does Not Cover the Failure to Give or the Giving or Any Professional Services • Pollution Exclusion With "Limited Pollution Liability" Coverage Per Policy. Exception: Lead and Asbestos Exposures - \$250,000 per Claim and \$250,000 Aggregate per Year. Coverage Does Not Apply to Landfills, Dumps or Other Waste Facilities. • Land Use, Development, Franchise or Enterprise Operations Litigation Coverage Limitations (Subject to policy deductible)

Exclusions (con't)	<ul style="list-style-type: none">• Bodily Injury, Property Damage and Personal Injury claims arising from the City's ownership, construction, operation, or maintenance of any railroad tracks or railroad rolling stock is excluded
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Third Party Data Security breach claim / Policy Summary:

- *Data security breach claim* means any claim for *damages* arising out of actual or potential unauthorized acquisition of data that:
 - Compromises the security, confidentiality, or integrity of personal information; or
 - Contains data classified as private or confidential by the Minnesota Government Data Practices Act.
 - For purposes of this section, "Personal information" means:
 - An individual's first name or first initial and last name in combination with any one or more of the following data elements, when the data element is not secured by encryption or another method of technology that makes electronic data unreadable or unusable, or was secured and the encryption key, password, or other means necessary for reading or using the data was also acquired:
 - Social Security number;
 - Driver's license number or Minnesota identification card number; or
 - Account number or credit or debit card number, in combination with any required security codes, access code, or password that would permit access to an individual's financial account.
- Coverage is subject to the \$3,000,000 Municipal Liability Aggregate Limit

Aon asked the LMCIT to affirm coverage for "Social Engineering" claims. They believe IMO, tricking an employee into giving up information would likely qualify as unauthorized acquisition of data. If coverage applies, it would likely fall under the data security breach coverage summarized above.

Municipal Package Policy (continued)

Commercial Auto		
General Coverage Description:	Legal liability on the part of the City arising out of the use of owned, leased, hired, and non-owned vehicles	
Limits:		
Bodily Injury/Property Damage Combined Single	\$2,000,000	
Hired/Borrowed Auto Liability:	\$2,000,000	
Employer's Non-Owned Auto Liability:	\$2,000,000	
Uninsured/Underinsured Motorists: (includes all vehicles)	\$200,000 Per Occurrence	
Personal Injury Protection (No-Fault): (includes all vehicles)	Statutory	
Endorsements and or policy language includes:	<ul style="list-style-type: none"> Rented Auto Physical Damage Coverage 	
	<ul style="list-style-type: none"> Freezing of Fire Vehicles Pumping Apparatus 	
Replacement Cost Vehicles	Refer to schedule	
Deductible: (includes Hired and Non-Owned Auto)	Liability	\$50,000
	Comprehensive	\$50,000
	Collision	\$50,000
Coverage Exclusions Include but are not Limited to:	<ul style="list-style-type: none"> Expected or Intended Injury 	
	<ul style="list-style-type: none"> Property Damage to Property Owned or Transported by you 	
	<ul style="list-style-type: none"> Pollution 	

Municipal Package Policy (continued)

Defense Cost Reimbursement Coverage	
General Coverage Description:	Defense of Officials in regards to the Open Meeting Law and suits against City Officials that arise from the actual, pending or threatened bankruptcy of the city
Retro Active Date	6/1/2010
Defense Costs per Lawsuit Per Official	\$50,000
Agreement Term Aggregate Per Official	\$250,000
Deductible:	None
Covered Parties:	<ul style="list-style-type: none"> • City of Bloomington • Bloomington Housing and Redevelopment Authority • Bloomington Port Authority • Membership of the Bloomington Volunteer Fire Department • Bloomington Fire Department Relief Association
Special Endorsements / Conditions	<ul style="list-style-type: none"> • Reimbursement Policy- The LMCIT will reimburse the individual after they have made payment and proof of payment is submitted to LMCIT • Independent contractors who do contract work for the City are not covered (EXCLUDED)

All policies included under the LMCIT package policy are claims made policies.

Clinic Liability Policy

Public Health Clinic Liability Policy	
Insurance Company: Policy Term:	Evanston Insurance Company
Policy Number:	June 1, 2016 to June 1, 2017
Policy Number	SM- 914164

General Coverage Description:	Public Health Services for all related premises and operations of the City
Limits:	
Professional Liability	
Each Claim	\$1,500,000
Aggregate	\$3,000,000
Limits:	
Commercial General Liability	
Each Occurrence	\$1,500,000
Aggregate – All Coverages	\$3,000,000
Damages to Rented Premises	\$50,000
Medical Expense – Any one Person	\$5,000
Retroactive Date	6/1/2002
Deductible	\$10,000 Each Claim- Professional
	\$10,000 Each Occurrence - General Liability
	\$10,000 Each Person or Org - Personal & Advertising Injury Liability
Additional Insureds	City of Minneapolis (SHIP Program), Hennepin County Human Services, and Intermediate District #287
Coverage Exclusions Include but are not Limited to:	• Asbestos
	• Workers' Compensation/Employers' Liability
	• 25% minimum earned premium endorsement
	• Mold

This is a Claims Made Policy

LEAGUE OF MINNESOTA CITIES INSURANCE TRUST

LIABILITY COVERAGE – WAIVER FORM

Cities obtaining liability coverage from the League of Minnesota Cities Insurance Trust must decide whether or not to waive the statutory tort liability limits to the extent of the coverage purchased. The decision to waive or not to waive the statutory limits has the following effects:

If the city does not waive the statutory tort limits, an individual claimant would be able to recover no more than \$500,000 on any claim to which the statutory tort limits apply. The total which all claimants would be able to recover for a single occurrence to which the statutory tort limits apply would be limited to \$1,500,000. These statutory tort limits would apply regardless of whether or not the city purchases the optional excess liability coverage.

If the city waives the statutory tort limits and does not purchase excess liability coverage, a single claimant could potentially recover up to \$1,500,000. on a single occurrence. The total which all claimants would be able to recover for a single occurrence to which the statutory tort limits apply would also be limited to \$1,500,000., regardless of the number of claimants.

If the city waives the statutory tort limits and purchases excess liability coverage, a single claimant could potentially recover an amount up to the limit of the coverage purchased. The total which all claimants would be able to recover for a single occurrence to which the statutory tort limits apply would also be limited to the amount of coverage purchased, regardless of the number of claimants.

Claims to which the statutory municipal tort limits do not apply are not affected by this decision.

This decision must be made by the city council. **Cities purchasing coverage must complete and return this form to LMCIT before the effective date of the coverage.** For further information, contact LMCIT. You may also wish to discuss these issues with your city attorney.

_____ accepts liability coverage limits of \$_____ from the League of Minnesota Cities Insurance Trust (LMCIT).

Check one:

- The city **DOES NOT WAIVE** the monetary limits on municipal tort liability established by Minnesota Statutes 466.04.
- The city **WAIVES** the monetary limits on tort liability established by Minnesota Statutes 466.04, to the extent of the limits of the liability coverage obtained from LMCIT.

Date of city council meeting _____

Signature _____ Position Mayor
Gene Winstead Date

Signature _____ Position City Manager
James D. Verbrugge Date

Signature: *Reviewed and Approved by City Attorney* Date

Return this completed form to LMCIT, 145 University Ave. W., St. Paul, MN. 55103-2044