

**CITY OF CENTER LINE, MICHIGAN
REQUEST FOR PROPOSAL
RFP-001-110917
FOR
PROPERTY AND LIABILITY INSURANCE**

ISSUED BY:

**Dennis Champine, City Manager
City of Center Line
7070 E. Ten Mile Road
Center Line, MI 48015
(586) 757-6800
dchampine@centerline.gov**

Date: November 9, 2017

**PROPOSAL DUE DATE:
November 27, 2017
10:00 a.m.**

INTRODUCTION

The City of Center Line is seeking proposals from qualified vendors for the provision of property and liability insurance. Please quote coverage of \$5,000,000 for Municipal General Liability, Personal & Advertising Liability, Public Officials Liability, Law Enforcement Liability, and Automobile Liability (may provide as a Combined Liability Limit) with no aggregate limit. Quote should include the City's current Property Blanket limit of \$12,574,426, Inland Marine, Crime, Auto and Cyber Liability coverage as indicated in this Request for Proposal. Also, the quote must include three copies of your sample policy.

INFORMATION

Three (3) copies of your proposal shall be provided in a sealed envelope labeled "Property and Liability Insurance Proposal" and submitted to:

**City of Center Line, City Manager's office
7070 E. Ten Mile Road
Center Line, MI 48015**

The proposals will be reviewed and evaluated by the City Treasurer and City Manager. The City Manager will seek approval of the recommended provider from the City Council at the December 4, 2017 City Council meeting.

The City reserves the right to accept or reject any and all proposals for any reason, and reserves the right to request clarification, and the right to accept or reject all or part of any proposals.

BACKGROUND

The City of Center Line is a full-service community. (For more specific information about the City of Center Line, please visit our website at <http://www.centerline.gov/>).

Should any of the following information be desired, please contact Dennis Champine, City Manager at (586) 757-6800 or by email at dchampine@centerline.gov, and it will be provided:

1. Insured property schedule.
2. Insured vehicles.
3. A copy of the City's-2018 Fiscal Year Budget can be found on our website.

PROPOSAL REQUIREMENTS

1. The name of the organization legally responsible for paying the City's claims, and contact person(s) responsible for administering the City's account.
2. Confirmation that the proposed insurance coverage is on **an occurrence – date basis, not a claims-made basis.**

3. The proposed insurance coverage and limits should be similar in scope to the City's current insurance coverage. The proposer shall provide explanations for each area where the proposed insurance coverage, exclusions, and/or limits are different than the City's current insurance coverage.
4. A description of the proposer's loss-control and risk-management service that it would provide to the City.
5. The total annual premium that would be charged to the City.
6. References from a minimum of three (3) municipalities or public entities located in Michigan for which the proposer currently provides property and liability insurance services.

VENDOR BACKGROUND / QUALIFICATIONS

Please include your most recent A.M. Best's financial rating and size category. If no such rating exists, then please provide a copy of your organization's most recent audited financial statements.

METHOD OF EVALUATING PROPOSALS

Proposals will be evaluated with an emphasis on the following factors:

1. Advantages to the City with respect to the firm's experience and expertise with handling municipal or public-entity accounts.
2. Price, however price alone will not be the sole factor in recommending approval of accepting the proposal.
3. Conformity to this RFP.
4. References from other governmental entities and list of insured clients.

ADDITIONAL DATA

Provide any additional data that may be helpful in the selection process.

Questions about this proposal should be directed to: Dennis Champine, City Manager at (586) 757-6800, or by email at dchampine@centerline.gov

The City reserves the right to accept or reject any and all bids, to waive informalities or errors in the bidding process, and to accept any bid deemed in the best interest of the City, including bids that are not the lowest. The City also reserves the right to negotiate with responding firms any improvements or clarifications regarding specific portions of the proposal.

Directions: In order to compare the quotes of different insurance providers, all insurers, agents or associations offering coverage will complete the following disclosure.

I. General Information:

1. a. What organization or insurance company is legally responsible for paying our claims?
1. b. If your answer to 1. a. is a recognized insurance or reinsurance company, please provide the most current A.M. Best's financial rating and size category.
1. c. If your answer to 1. a. is other than a recognized insurance or reinsurance company, please provide a copy of the most recently audited balance sheet and statement of revenues and expenses for the organization responsible for paying our claims.
2. Please explain, or provide a copy of the solvency standards that guide your placement of insurance and reinsurance on behalf of your clients or members.
3. Specifically describe the loss control and risk management services our municipality will receive that are included in your quotation. Is there a fee for these services? Yes No What is the annual cost?
4. Besides paying our premium on time, do we have any other obligations if we accept your proposal? Yes No If yes, please describe.

II. Coverage Provisions:

1. a. Does the definition of Insured include all its departments, affiliated divisions and organizations within the municipal budget, as now or may hereafter be constituted or acquired, for which the Insured has the responsibility of placing insurance? Yes No
1. b. Does it include all present, past or future appointed or elected officials, boards, board members, commissions, commission members, officers, full-time employees, part-time employees, temporary employees and volunteers, both individually and collectively, while acting or alleged to be acting within the scope of their duties on behalf of the local government? Yes No

If no, please attach a list of any exceptions to the above definition of Covered Persons/Entities.
2. As respects property coverage, does the definition of the Insured include all its departments, its affiliated divisions and organizations, as now or may hereafter be constituted or acquired, for which the insured has the responsibility of placing insurance? Yes No

3. Is there a minimum of 60 days' notice of cancellation provided on all lines of coverage being quoted? Yes No If No, what is the number of days' notice for cancellation?

4. As respects liability coverages, is there an aggregate limit, i.e. maximum amount payable by the insurer, applicable to any or all liability coverages? Yes No

5. Regarding liability coverage, is coverage provided for professional employees, including engineers, attorneys, surveyors, accountants, public health nurses, paramedics and other emergency response technicians? Yes No

If no, please attach a list of those professional employees who would not be covered for professional activities.

7. Do any liability deductibles apply? Yes No If yes, do they reduce the limit of liability? Yes No

8. Is coverage provided for libel, slander, defamation and invasion of privacy arising out of public access or city government cable TV channels, or a cable broadcast of council meetings? Yes No

9. Is liability for employment practices/actions such as hiring, firing, disciplining or failing to promote covered? Yes No

10. Are back and future wages covered in employment cases? Yes No If yes, what is the limit provided? _____ Is there a cap? _____

11. Is liability coverage provided for punitive damages to the extent it is permitted by statute? Yes No

12. Does the policy cover the liability of the City arising out of a City official's or employee's malfeasance? Yes No

13. Does the policy pay for defense of an officer or employee accused of malfeasance? Yes No

14. Is liability for civil rights violations covered? Yes No

15. Are any coverages quoted on a claims-made basis? Yes No If Yes, identify the lines of business which are on a claims-made basis, and the applicable limits/deductibles.

16. Are fireworks displays covered? Yes No If no, is monoline coverage available at an additional cost? Yes No What is the cost? _____

17. Are sewer backup events covered? Yes No Is there a deductible applicable to this coverage? Yes No What is the amount of the deductible?

If no, do you still assist by administering the claim(s)? Yes No

- If no, is monoline coverage available at an additional cost? Yes No
18. Are claims for damages caused by electromagnetic fields covered? Yes No
19. Is discrimination excluded? Yes No
20. Is sexual molestation excluded? Yes No
21. Is defense coverage provided for individuals accused of criminal violations, such as sexual molestation? Yes No
22. Is this policy subject to audit? Yes No If Yes, what time period: quarterly, annually, or other?

Where coverage is offered on a "claims-made" basis, please answer questions 23-28 below. If all coverage is offered on an occurrence basis, proceed to the next section.

23. Does the definition of "claims-made" require that notice be given to the insurer? In other words, does the policy require that the claim be reported to the insurer during a policy period? Yes No
24. Is full "prior acts" coverage included, i.e. no retroactive date is included or the retroactive date is no later than the expiration date of the last occurrence policy? Yes No
25. Does the proposed policy cover situations in which the insured provides notice to the insurer, during the policy period or extended reporting period, of a set of circumstances that may give rise to a claim, even if no claim is made until after the policy period or extended reporting period? Yes No
26. Does a verbal demand qualify as a claim? Yes No
27. Is a basic extended reporting period included at no additional cost? Yes No
28. Where coverage is offered on a claims-made basis, what is the length of the supplemental extended reporting period?

III. General Liability

1. Is coverage written on an "occurrence basis"? Yes No
2. Does definition of "personal injury" include mental anguish, humiliation, and damage to reputation and emotional distress? Yes No
3. Is an exception to the pollution exclusion provided for pesticide and herbicide application? Yes No
4. Is an exception to the pollution exclusion provided for overturn and upset of an owned auto? Yes No

5. Is an exception to the pollution exclusion provided for "heat, smoke, or fumes from a hostile fire"? Yes No
6. Is an exception to the pollution exclusion provided for the Named Insured's participation in a hazardous materials response team? Yes No

IV. Auto Liability

1. Does Covered Auto include "Any Auto" for all auto liability coverage, i.e. the vehicles covered include owned, leased, rented and borrowed autos? Yes No
2. Is automatic coverage provided for newly acquired vehicles until expiration of the policy, with no reporting provision? Yes No
- 3.a. Are employees covered, excess of employees' primary coverage, while operating their own cars on governmental business? Yes No
- 3.b. If yes, does this coverage include volunteer emergency personnel? Yes No
4. Are employees covered on a primary basis while operating covered autos for personal business? Yes No
5. Does Covered Auto include "Any Auto" for uninsured/underinsured motorists coverage? Yes No
6. Does Covered Auto include "Any Auto" for medical payments coverage? Yes No
7. Is liability assumed under contract, e.g., a defense and indemnification agreement, covered? Yes No

If not, what coverage is available? Please describe.

8. Can we wait until renewal to advise you of changes in our vehicles schedule without jeopardizing our insurance for newly acquired vehicles? Yes No
9. Is garage keepers legal liability coverage provided? Yes No If yes, what is the limit of liability?

V. Auto Physical Damage

1. Is collision coverage provided? Yes No
2. Is comprehensive coverage provided? Yes No
3. How is coverage for fire vehicles provided?
 - a. Replacement cost basis? Yes No

XI. Crime

1. Is coverage provided on a comprehensive crime form, covering money, currency, and securities? Yes No
2. What is the deductible for crime coverage? \$_____
3. What is the Limit for Employee Dishonesty and Faithful Performance of Duty?

4. What Position Bonds and what limits are included in this proposal? _____
5. Is Computer Fraud included? If yes, what is the limit? _____
6. Is Funds Transfer Fraud included? If yes, what is the limit? _____

XII. Liability & Property Coverage Summary

Please list the annual premium, the carrier, the limit of liability and the deductible for each of the liability lines shown in the schedule below:

- b. Agreed Amount basis? Yes No
 - c. Actual Cash Value basis? Yes No
 - d. Other? Explain.
4. Are hired and leased autos covered? Yes No
 5. Can we wait until renewal to advise you of changes to our vehicle schedule, without jeopardizing our insurance coverage for newly acquired vehicles? Yes No
 6. What is the Physical Damage deductible for: Comprehensive _____
Collision _____
 7. Is there also a self-insured retention? Yes No If yes, what is the self-insured retention?

VI. Public Officials Liability

1. Is coverage written on an occurrence basis? Yes No
2. In the event of an injunctive relief claim that includes a request for damages, will the insurer provide defense for all allegations of the claim? Yes No
3. Is there an aggregate limit, i.e. maximum amount payable by the insurer, applicable to the Public Officials Liability? Yes No
4. Do policy provisions require the insurer to advise the Named Insured before settling a claim? Yes No
5. If the insured refuses to settle for the amount agreed to by the insurer and the claimant, is the insured responsible for any defense and claim payments in excess of the original agreed figure? Yes No
6. Does the policy contain a "non-accumulation clause"? In other words, in the event a single wrongful act produces multiple claims over different policy periods, does only one limit of liability, the one in effect at the time of the first reported claim, apply? Yes No
7. Will you defend us for land use claims alleging a "taking" of property? Yes No
8. Will you pay damages for land use claims alleging a "taking" of property? Yes No
9. Please provide the total amount the proposed insurer paid for legal defense and damages for zoning and land use claims in Michigan in your most recently audited fiscal year. _____ For what period? ____/____/____ to ____/____/____

VII. Police/Fire Liability

1. Is coverage written on an occurrence basis? Yes No
2. Is coverage provided for contractual liability involving mutual aid agreements? Yes No
3. Are claims arising from war/insurrection excluded? Yes No
4. Are claims by volunteers excluded? Yes No
5. Will you defend police officers, full or part-time in the performance of their duties? Yes No

VIII. Property

1. Is coverage written on a replacement cost basis? Yes No
2. Is coverage provided on an "special form" basis, i.e. all perils are covered unless specifically excluded? Yes No
3. If the insured forgets to schedule property coverage for a particular building or other property, will a claim be denied at that location? Yes No
4. Is "property in the open" required to be located near scheduled property for coverage to apply? Yes No If yes, is the limitation based on 100' or 1,000' or some other limitation?
5. Is water damage, e.g. burst pipes, covered? Yes No
6. Is increased cost of construction coverage provided? Yes No
7. Is demolition of undamaged parts of buildings covered? Yes No
8. Is law and ordinance coverage provided? Yes No
9. Is pollutant cleanup and removal where caused by covered losses provided? Yes No
10. Does a coinsurance penalty apply? Yes No
11. Are vacant and unoccupied buildings covered? Yes No
12. Is there a limit for Business Interruption?
13. What is the deductible for property claims?
14. Is there also a self-insured retention? Yes No If yes, what is the self insured retention?

15. What is the limit and deductible for flood? Do you have a different limit or deductible for property located in a flood zone? Yes No If Yes, what is this limit and deductible?
16. What is the limit and deductible for earthquake?
17. Does the flood deductible apply per occurrence or in some other manner, e.g. per building?
18. Does the earthquake deductible apply per occurrence or in some other manner, e.g. per location?

IX. Boiler & Machinery

1. Is comprehensive coverage provided for Objects Covered, including all boilers, vessels, refrigerating and air conditioning equipment, piping, machinery and electrical equipment, and including production, process and maintenance? Yes No
2. Do the covered perils include all risks of physical loss or damage caused by an accident to a covered object? Yes No
3. Is coverage written on a replacement cost basis? Yes No
4. Is there a coinsurance penalty? Yes No
5. Are flood and earthquake covered perils? Yes No
6. Will the insurer perform certification inspections? Yes No

X. Cyber Liability and Data Breach Response Coverage

1. Is there an Aggregate Limit of Liability for all losses? Yes No
2. Is Information Security and Privacy liability provided? Yes No
3. Is Regulatory Defense and Penalties coverage provided? Yes No
4. Is Website Media and Content Liability provided? Yes No
5. Are PCI Fines, Expenses and Cost coverage provided? Yes No
6. Is Cyber Extort coverage provided? Yes No
7. Is First Party Data Protection Coverage provided? Yes No
8. Is First Party Network Business Interruption Coverage provided? Yes No

<u>Liability Coverage Parts</u>	<u>Carrier</u>	<u>Limits of Liability</u>	<u>Deductible</u>	<u>Valuation</u> (Occurrence or Claims-Made)
Municipal General Liability Coverage Aggregate Limit				
Public Officials Liability Coverage Aggregate Limit				
Personal and Advertising Injury Liability Aggregate Limit				
Police/Fire Liability Coverage Aggregate Limit				
Automobile Liability Coverage				
Automobile Physical Damage: Comprehensive Coverage -- Valuation Collision Coverage -- Valuation				
Pollution Liability				
Sewer Backup				
Cyber Liability and Data Breach Response Coverage				
Monoline (Specialty) Coverage				
Employee Benefit Liability Aggregate Limit				
Umbrella/Excess Liability				

Aggregate Limit				
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The following sub-limits apply:	
\$	Uninsured/underinsured motorists
\$	Medical payments
\$	Garage-keepers legal liability
Total Liability Premium: \$ If the above premiums are subject to final audit, list the rate and exposure base below. If more than one rate applies, please attach an addendum to this question explaining the basis on which the final premium will be calculated.	
Rate: _____ Exposure Based: _____ (e.g., "ratable expenditures", payroll, etc.)	

Total Liability Premium: \$ _____

Property Coverage Part	<u>Carrier</u>	<u>Limit of Insurance</u>	<u>Deductible</u>
Property TIV (Buildings, Property in the Open and Contents)		\$	\$

Blanket Limit? Yes No

Other property limits to be included in premium above:

- Flood \$ _____
- Earthquake \$ _____
- Mobile Equipment \$ _____
- EDP (Computer) Equipment and Media \$ _____
- Fine Arts \$ _____
- Extra Expense (increased cost of construction) \$ _____
- Accounts Receivable \$ _____
- Debris Removal \$ _____
- Loss of Rents \$ _____
- Loss of Income (Business Interruption) \$ _____
- Accounts Receivable \$ _____
- Automatic coverage for newly acquired locations \$ _____
- Valuable Papers and Records \$ _____
- Property Temporarily Off-Premises \$ _____
- Miscellaneous Property \$ _____

Contractors Equipment

\$ _____

	<u>Carrier</u>	<u>Limit of Insurance</u>	<u>Deductible</u>
Boiler & Machinery/Mechanical Breakdown		\$	\$

Total Property Premium \$ _____

Crime Coverage Parts	<u>Carrier</u>	<u>Limit of Insurance</u>	<u>Deductible</u>
Employee Dishonesty and Faithful Performance of Duty Blanket Coverage			
Loss Inside the Premise Coverage			
Loss Outside the Premise Coverage			
Money Orders and Counterfeit Paper Coverage			
Treasurer Bond			
Other Position Bond(s)			

Total Crime Premium \$ _____

If the above premiums are subject to final audit, list the rates and exposure base below. If more than one rate applies, please attach an addendum to this question explaining the basis on which the final premium will be calculated.

Rate: _____

Exposure base: _____ (e.g. "ratable expenditures", payroll, etc.)

I certify that the above answers are true and correct to the best of my ability. If further explanation is required for any answers, an attachment to this document is provided.

Signature: _____

Name: _____

Title: _____

Representing: _____

Address: _____

Phone No.: _____

Fax: _____

Email: _____