

Town of Bowling Green
Town Council Meeting



Date: April 5, 2018
Agenda Item: VI. Consent Agenda
E. VML Proposal

TYPE OF AGENDA ITEM:

- CONSENT AGENDA
- PRESENTATION
- ACTION ITEM
- TOWN MANAGER & STAFF COMMENTS
- PUBLIC HEARING
 - Duly Advertised

PURPOSE OF ITEM:

- INFORMATION ONLY
- DISCUSSION ONLY
- DISCUSSION AND/OR DECISION
 - Introduction Resolution
 - Ordinance Grant/MOU
 - By Motion Bylaws
 - Certificate

PRESENTER: Melissa Lewis **PRESENTER TITLE:** Clerk/Treasurer

AGENDA ITEM: VML Insurance Proposal

BACKGROUND / SUMMARY: The attached is an annual renewal for the period of July 1, 2018 – June 30, 2019. Due to better than anticipated loss experience and investment returns, VMLIP’s overall combined rates will decrease on average 1 percent this year. Property and liability rates will rise slightly and workers’ compensation rates will drop approximately 5 percent. Based on the needs and concerns of its membership, VMLIP has made several coverage enhancements for the 2018 policy year, including:

- Limited property coverage for mold/fungus damage
- Grievance procedure sublimit increased to \$10,000
- Cyber Liability enhancements to include:
 - o Fraudulent Instruction Coverage - \$50,000
 - o Telecommunications Fraud - \$50,000
 - o First Party Computer Security
 - Forensic Expense -\$100,000 (from \$50,000)
 - Dependent Business Interruption - \$500,000 (from \$150,000)
 - Removal of Hourly Business Interruption Sublimit.

ATTACHMENTS:

VML’s Proposal

REQUESTED ACTION:

Authorize Town Manager to accept proposal

FOR MORE INFORMATION. CONTACT:

Phone#:

Name:

E-mail:

FOR USE DURING MEETING

Y	N		Y	N	
<input type="checkbox"/>	<input type="checkbox"/>	Coleman	<input type="checkbox"/>	<input type="checkbox"/>	McDearmon
<input type="checkbox"/>	<input type="checkbox"/>	Davis	<input type="checkbox"/>	<input type="checkbox"/>	Wright
<input type="checkbox"/>	<input type="checkbox"/>	Gaines	<input type="checkbox"/>	<input type="checkbox"/>	Gibson
<input type="checkbox"/>	<input type="checkbox"/>	Hauser	<input type="checkbox"/>	<input type="checkbox"/>	Satterwhite

VOTE: PASSED NOT PASSED



Proposal for Coverage Presented To:
Town of Bowling Green

For Period: July 1, 2018
through
June 30, 2019

Proposal Table of Contents

- Executive Summary
- Reducing the Cost of Risk with VML Insurance Programs
- Complimentary Services Provided
- Ten Reasons VML Insurance Programs is the Best Value
- Financial Strength Equals Financial Stability
- VMLIP Member References
- Proposed Coverages and Costs
- Annual Member Agreement - Member Approval Signature Required
- Renewal/Binder Checklist

Coverages, terms, conditions and exclusions are briefly outlined in this proposal. For complete policy language, please refer to coverage contract.

Executive Summary

Thank you for your continued membership in VML Insurance Programs (VMLIP). VMLIP began in 1980 and is the most financially stable group self-insurance pool in the Commonwealth of Virginia. VMLIP provides comprehensive property and casualty coverages, extensive risk management program support and effective claims services to nearly 500 Virginia local political subdivisions.

VMLIP is governed by a Members' Supervisory Board comprised of eight elected or appointed officials from member jurisdictions and the executive director of the Virginia Municipal League.

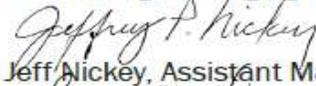
VMLIP provides financial protection for losses arising from: alleged wrongful acts of public officials; auto losses; above-ground environmental damages; breaches of confidential and employee data; property damage including buildings and contents, generators, water towers, mobile equipment, and more; workers' compensation and Line of Duty Act coverage; law enforcement liability; and alleged employment practice violations.

Our staff is dedicated to providing all members with risk management program support through multiple means including grant funds; regional and local training; free webinars; continued learning through the VMLIP Online University; employment liability consultation; Nurse Triage/Day of Injury Services; communications consulting; and more - most of which are included in the cost of membership.

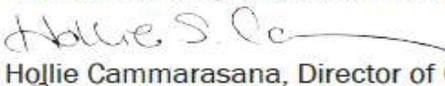
Additionally, VMLIP continues to offer coverage designed for the unique needs of Virginia's local governments, including optional drone coverage, student tablet coverage, and a platinum cyber liability option. As managing directors of VMLIP, we appreciate your commitment to a long-term relationship with us. We will continue to focus on lowering your total cost of risk, as we truly are Virginia's Local Government Specialists.

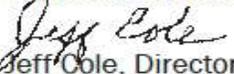
Directors


Steve Craig, Managing Director


Jeff Nickey, Assistant Managing Director

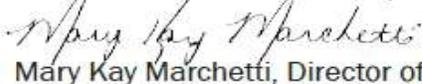

Thomas Bullock, Director of Risk Services

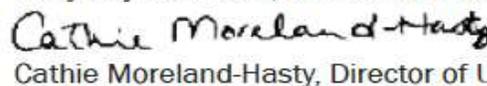

Hollie Cammarasana, Director of Communications

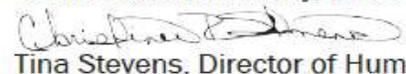

Jeff Cole, Director of Member Services


Robin Duvall, Director of Workers' Compensation


Chuck Jones, Director of Property & Liability Claims


Mary Kay Marchetti, Director of Information Services


Cathie Moreland-Hasty, Director of Underwriting


Tina Stevens, Director of Human Resources

Reducing the Cost of Risk with VML Insurance Programs

Risk management must be a focused approach toward reducing the cost of risk.

Government officials understand the importance of preventing unbudgeted risk related expenditures by purchasing insurance, however there are other costs associated with a risk related event or loss.

Consider these related costs:

- The cost of losing a key employee or several employees for an undetermined time period;
- The cost of injuring a member of the public from a preventable vehicle-related “at fault” accident;
- The cost of loss to an uninsured or underinsured asset like expensive equipment, older buildings, etc.;
- The cost of staff involvement in a preventable lawsuit by an employee;
- The cost of community standing for the inability to respond adequately to natural disaster;
- The cost of payment made under deductibles on preventable vehicle or property damage losses; and
- The cost of hiring outside expertise to provide risk management training and consultation.

VML Insurance Programs works to reduce members' cost of risk by providing effective and timely risk management services at no additional cost. Please take a moment to review the enclosed list of our proven services and ask yourself, is lowering the cost of insurance the only way to reduce cost of risk and stay within your budget?

The VML Insurance Programs Value Proposition

In addition to more than 35 years of experience and financial stability, VMLIP has developed a reputation for professional, responsive, and dedicated customer service.

From experienced claims staff to specialized service providers - including nurses, human resources, law enforcement, communications, and safety professionals, VMLIP offers a comprehensive mix of coverages, risk management services, effective educational programs and local government expertise designed to meet the needs of all Virginia local governments, from the smallest to the largest.

How does your insurer stack up?	VMLIP	Your Current Insurer
Account Executives: VMLIP will assign your entity with a local government insurance specialist to act as your consultant and advocate.	✓	
Contract Review: VMLIP offers free contract review to ensure that member contracts containing insurance requirements have the required insurance placement and that members do not unintentionally waive rights or accept liability on behalf of another.	✓	
Crisis Intervention/Violent Acts Coverage: VMLIP provides funding for on-site crisis and grief counseling for students and employees who have experienced a personal crisis. This coverage will also cover the expense of a media specialist to help handle the external communications following a crisis.	✓	
Canine Mortality and Injury Coverage: VMLIP provides replacement cost for canines when killed, stolen or injured while performing specific law enforcement functions. This coverage also provides for injury treatment expenses resulting from law enforcement operations.	✓	
Drone Coverage: Property and limited liability coverage for members operating unmanned aircraft systems, commonly referred to as drones.	✓	
First-Fill Prescription Program: Provides payment for the first prescription(s) needed by an injured employee, ensuring they face no out-of-pocket expenses - even if the claim is later found to be non-compensable.	✓	
Human Resources Services: Human resources (HR) consultative services are provided to members with public official's liability coverage to assist in mitigation of employment practices liability exposure.	✓	



Land Use Coverage: VMLIP offers up to \$100,000 coverage for claims or suits based upon land use issues, including zoning and sub-division claims, eminent domain, condemnation, and inverse condemnation claims.	✓	
Incidental Medical Services Coverage: VMLIP provides incidental medical services coverage for employed nurses and emergency medical technicians.	✓	
Law Enforcement Services: Law enforcement services for members with public official's liability coverage provides up-to-date and credible risk management guidance to police agencies.	✓	
Injunctive Relief Coverage: VMLIP offers up to \$100,000 coverage in defense coverage for claims that seek other than monetary damages.	✓	
Multimedia Library: VMLIP's Multimedia Library houses more than 500 safety/human resources videos, 30 modules, and numerous publications to assist members with conducting in-house training.	✓	
No Fault Property Damage Coverage: VMLIP offers optional \$10,000 in No Fault Property Damage coverage for situations where entity isn't legally liable, but wants to provide citizens with help. An example may be a sewer back-up or water main break.	✓	
Nurse Triage and Reporting Services: VMLIP provides access to a registered nurse 24/7/365 via a toll free number to provide immediate medical advice following a workplace incident.	✓	
Pollution Coverage: This free value-added coverage for members with property and liability coverage offers a broad range of liability protection for gradual - as well as sudden and accidental - first- and third-party environmental liabilities.	✓	
Property Appraisals: VMLIP contracts for professional appraisals of all member locations valued over \$1 million on a five-year basis at no charge to members with property coverage.	✓	
Risk Management Grant Program: VMLIP provides substantial grant funds each year to members for the purchase of equipment and training to strengthen risk management programs.	✓	
Risk Management Guidelines (RMG): VMLIP reviews members' risk management initiatives - members who excel in the assessment receive a five percent credit off of their premium.	✓	
Safety Services: VMLIP provides safety consultative services to help members develop, implement, and maintain effective claims prevention programs.	✓	
Suspension/Expulsion Coverage: VMLIP offers coverage to school systems for suits or injunctive relief which related to or arising out of the suspension or expulsion of a student by a public school system.	✓	

Tenant User Liability Insurance Program (TULIP): Provides temporary insurance for use of government facilities by outside organizations.	✓	
VMLIP Online University: Provides free online learning for employees and managers on subjects from bloodborne pathogens to sexual harassment prevention, stress management, and more.	✓	
VMLIP Law Enforcement Academy: VMLIP has partnered with LocalGovU, in association with PoliceOne.com, to offer this online training program providing courses such as Ethics in Law Enforcement, Constitutional Policing, Use of Force, Officer Liability, and more.	✓	
Volunteer Accident & Health Coverage: VMLIP offers income protection, death and impairment benefits for volunteers.	✓	
Webinars: VMLIP provides free webinars covering various safety, human resources, law enforcement, communication and other topics.	✓	

How does your insurer stack up?

Having all lines of coverage with VMLIP ensures that your organization is receiving comprehensive coverage and a wide variety of valued-added services tailored to Virginia's local governmental entities.

Ten Reasons VML Insurance Programs Is the Best Value

VML Insurance Programs (VMLIP) offers more than just coverage. In addition to more than 35 years of experience and financial stability, VMLIP has developed a reputation for professional, responsive, and timely customer service.

Here are ten reasons why VML Insurance Programs is the best value...

- 1) **Financial stability:** Virginia's insurance pools are assessable - therefore it's vital that you have coverage with an organization that is financially secure. With assets greater than \$300 million and members' equity of more than \$100 million, VMLIP is the most financially secure self insurance pool in Virginia. We have the funds to back our promises for years to come.
- 2) **Experienced staff:** As Virginia's first and largest group self insurance pool, VMLIP has knowledgeable and experienced staff who are trained to keep up with current trends in insurance, risk management, and local government practices. You are assigned a local government specialist to be your consultant and advocate.
- 3) **Comprehensive coverages:** VMLIP offers comprehensive coverages tailored to meet a wide variety of local government exposures to a loss, including automobile liability and physical damage, and replacement cost coverage on high value vehicles - such as fire trucks, ambulances, and garbage trucks. VMLIP offers suspension/expulsion liability coverage, cyber liability, pollution, property, earthquake, and flood coverage, as well as canine mortality and injury coverage for police dogs, and more.
- 4) **Effective claims management:** VMLIP does not just process claims - we manage them. VMLIP handles all aspects of the claim from the date of the accident to the close of the case, responding to each claim within 24 hours of receipt. Whether liability, property damage, or workers' compensation - VMLIP staff are committed to restoring the member to their pre-loss position and to ensuring that injured employees receive high quality medical care. Each VMLIP member is assigned a claims professional to investigate all claims, provide fair and prompt settlement, defend claims where appropriate, and keep members fully informed of claim activity. Each claim is handled with empathy, professional courtesy, and fairness.

- 5) Resources for risk management: VMLIP offers more than just coverage. In addition to insurance coverage VMLIP offers a variety of resources for risk management. VMLIP partners with members to prevent losses through customized safety consultations, human resources (HR), and law enforcement consulting services, regional and local training, webinars, videos, online training, and more.
- 6) Value-added services: VMLIP's safety, HR, and law enforcement specialists, as well as workers' compensation staff offer members up-to-date information on the latest trends, news, and best practices in their specialties. Safety specialists offer consultative services to help members develop, implement and maintain effective risk management programs.

HR services assist in the mitigation of employment practices liability exposure while law enforcement services provide up-to-date and credible risk management guidance to police agencies. Workers' compensation staff ensure that injured employees receive personalized service and timely treatment for their injuries through two full-time registered nurses and a panel of physicians.

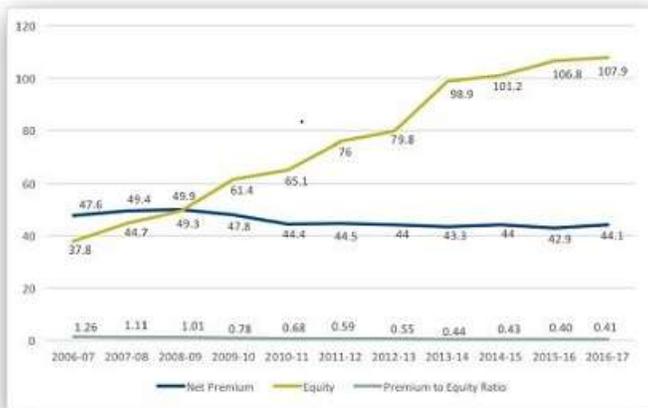
- 7) Value-added programs: As Virginia's local government specialists, VMLIP offers a variety of programs to aid members' risk management efforts, including 24/7/365 access to a nurse for injured workers, a First-Fill Prescription Program, property appraisals, an HR hotline, contract review, and much more.
- 8) Risk management partner: VMLIP offers three types of premium credits for members who participate in risk management programs. Member entities scoring 100 percent on VMLIP's "Risk Management Guidelines" assessment receive five percent off of their premium. Additionally, members with law enforcement liability coverage can receive a discount for having an accredited police department and members can receive credits on their automobile coverage for participating in VMLIP's Where the Rubber Meets the Road driver training Campaign.
- 9) Training opportunities: VMLIP offers a variety of training opportunities on-site and online. Through the VMLIP Online University, the multimedia library, seasonal workshops and monthly webinars, members have access to a variety of topics and resources through multiple channels.
- 10) Risk Management Grant: Each year VMLIP provides substantial grant funds to members for the purchase of vital equipment and training to strengthen risk management training. Members have utilized funding for equipment such as law enforcement body cameras, warning buoys, lightning strike detectors, and more.

From experienced claims staff to specialized service providers - including nurses, human resources, law enforcement, communications, and safety professionals, VMLIP offers a comprehensive mix of coverages, services, programs and expertise designed to meet the needs of all Virginia local governments, from the smallest to the largest.

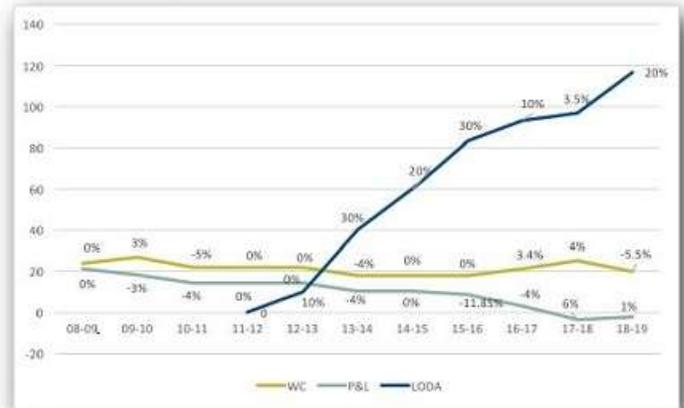
Financial Strength Equals Financial Stability

As the following graphs illustrate, VML Insurance Programs (VMLIP) has been fortunate to experience substantial growth in members' equity over the past 10 years. This has allowed the pool to provide members with remarkable rate stability - a VMLIP strategic goal. Our various underwriting, investment, claims and loss prevention strategies are all built around this fundamental concept, with our members' budgeting in mind.

Premium to Equity



Rate Change



While Workers' Compensation (WC) and Property & Liability (P&L) lines of coverage have been stable, Line of Duty Act (LODA) coverage costs continue to escalate. As LODA costs were beginning to level out, the General Assembly elected to place all LODA claimants into one health plan, dramatically increasing future expected costs on existing claims as well as future LODA claims. Fortunately, for the 90 percent of VMLIP members with all lines of coverage through VMLIP, LODA coverage represents only a small portion of overall premium - and your overall rate change will be nominal.

Members' equity provides protection against:

- Adverse claims development;
- Continued liberalization of the Virginia Workers' Compensation Commission and Courts;
- Continued expansion of Workers' Compensation presumptions and LODA benefits by the Virginia General Assembly;
- Reinsurance market instability;
- Investment losses; and
- Catastrophic claims such as hurricanes, tornados, or a reinsurer failure.

Members' Equity Also Provides

- Investment income to offset a substantial portion of operational costs;
- The ability to add and expand coverages at little additional costs to members; and
- The ability for the pool to take on additional risk.

Target Equity Study

The VMLIP Members' Supervisory Board recently engaged Price Waterhouse Coopers to conduct a target equity range study utilizing an enterprise risk management process, which enabled the board and staff to consider the appropriate level of risk tolerance and the corresponding range of members' equity to hold appropriate for that risk. There are two main parameters in determining adequate funding levels:

- 1. Board's risk appetite/tolerance** - The board's desired level of protection helps define its target funding strategy.
- 2. Risk profile of the program** - Utilization of an economic capital modeling approach that reflects the pool's own risk and includes:
 - *Underwriting Risk*, also known as pricing risk, which represents risk that the actual outcome for the next year will deviate from the budgeted amount. Typical sources of this are volatility in the frequency or severity of claims and unexpected levels of catastrophic claims. Since the overhead expense items are rather predictable, the majority of risk lies within the claims cost. The model incorporates future claims and claims expenses, and the volatility around them, to measure underwriting risk.
 - *Reserving Risk*, which measures the potential for actual claims settlement costs deviating unfavorably from the current booked reserves. Typical sources of potential unfavorable reserve development include excessive inflation, emergence of latent or new types of claims and a change in the judicial environment affecting claim settlements.
 - *Asset and Credit Default Risk*, which reflects the risk that the value of investment and credit assets may deteriorate due to changes in macroeconomic financial conditions or a decline in the financial strength of debtors.
 - *Operational Risk* captures potential for fund deterioration arising from off-balance sheet or unplanned items.

Result - As a result, the board adopted a members' equity policy that establishes a current target equity range of **1 x 1-in-200 year event** and **2 x 1-in-200-year event**. This translates to a current range of \$67M - \$133M with current members' equity at approximately \$107M.

Maintaining surplus adequacy to handle a 1-in-200 year event is fast becoming a global standard for insurance companies.

As a comparatively small, single state risk-sharing pool, the board feels strongly that a more conservative posture is advisable when compared to large insurance companies. The board briefly discussed a return of equity, but agreed that continued maintenance of stable rates for the foreseeable future was preferred. The board will continue to monitor members' equity and evaluate the appropriate level to hold on behalf of members.



VMLIP Member References

Town of Ashland

Wanda Cornwell
Assistant to the Town Manager
Office: (804) 798-9219
E-mail: wcornwell@ashlandva.gov

Town of Windsor

Michael Stallings
Town Manager
Office: (757) 242-4288
E-mail: mstallings@windsor.va.gov

Town of Marion

Bill Rush
Town Manager
Office: (276) 783-4113
E-mail: brush@marionva.org

Town of Kenbridge

Robyn Fowler
Town Manager
Office: (434) 676-2452
E-mail: robynfowler@kenbridge.va.net

City of Suffolk

Donna Vogel
Risk, Benefits and Wellness Manager
Office: (757) 514-4024
E-mail: dvogel@suffolkva.us

Hanover County

Marvin Fletcher
Director of General Services
Office: (804) 365-6503
E-mail: mvfletcher@hanovercounty.gov

Town of Bowling Green

AUTOMOBILE COVERAGE

POLICY PERIOD:

07/01/2018 - 07/01/2019

Basis of Coverage: Total 6 vehicles

LIMITS AND COVERAGES:

\$1,000,000	CSL for bodily injury & property damage
\$10,000	Medical payments
\$0	Deductible liability
\$500	Deductible comprehensive
\$1,000	Deductible collision

Uninsured/Underinsured Motorist Limits: \$25,000 each person bodily injury/\$50,000 each accident bodily injury/\$20,000 each accident property damage

VML Insurance Programs provides uninsured motorist coverage at the minimum limits required by law. It is in the member's best interest as a member to limit this coverage to what is required by law. Unlike liability coverage, you do not owe any money beyond the limits that are insured.

Garage and Garagekeepers Liability, Hired, Non-Owned Automobile Physical Damage, and Rental Reimbursement coverages included.

POLICY FORM:

Occurrence - covers claims for personal injury or property damage which occur during the period 07/01/2018 through 07/01/2019.

TOTAL AUTOMOBILE CONTRIBUTION:

	Annual
Automobile Liability	\$1,846
Medical Payments	included
Uninsured Motorist	included
Comprehensive	\$425
Collision	included
TOTAL	\$2,271

VML Insurance Programs Member Advantage

VML Insurance Programs (VMLIP) does not charge additional premium during the policy year for newly acquired vehicles nor does it return premium for vehicles a member drops from the schedule. This generally works to a member's advantage as older vehicles are replaced by new vehicles with higher physical damage costs. VMLIP also provides auto physical damage replacement cost coverage for newer vehicles in excess of a certain initial purchase cost. These coverage enhancements serve to assist members in managing their budgets.

Town of Bowling Green

LOCAL GOVERNMENT LIABILITY

(includes General Liability, Public Officials/School Board Legal and Law Enforcement Liability)

POLICY PERIOD:

07/01/2018 - 07/01/2019

# of miles of streets/roads maintained	4
Sewer Payroll (exclude clerical)	\$97,637
Water Payroll (exclude clerical)	\$92,237

LIMITS AND COVERAGES:

Each occurrence limit	\$1,000,000	<i>No Aggregate</i>
Damages to Premises Rented to You	\$1,000,000	<i>Any one fire</i>
Defense of certain excluded occurrences	\$100,000	
Land Use Coverage	\$100,000	
Medical expense limit	\$10,000	<i>Any one person</i>

Deductible \$0

POLICY FORM:

Occurrence - covers claims for personal injury or property damage which occur during the period 07/01/2018 through 07/01/2019. Provides protection against allegations of wrongful acts, including premises liability and employment practices liability.

TOTAL CONTRIBUTION (NON-AUDITABLE):

General Liability	\$2,310	Annual premium
Public Officials Liability	\$1,618	Annual premium
Law Enforcement Liability	\$654	Annual premium

Constitutional officers are excluded from coverage.

VML Insurance Programs Member Advantage

VML Insurance Programs (VMLIP) provides *Land Use and Injunctive Relief Coverage* to protect members from claims or suits arising out of a variety of issues including, but not limited to land use, inverse condemnation and injunctive relief actions. See policy for details. Coverage for these type of claims or suits are typically excluded by commercial carriers. While Land Use and Injunctive Relief Coverage may be offered by other pools, you should be aware that VMLIP's coverage has no deductible and members are not required to pay a pro-rata portion of each claim.

VML Insurance Programs (VMLIP) provides *Crisis Intervention/Violent Acts coverage* including on-site crisis and grief counseling for students and employees who have experienced a personal crisis. This coverage will also cover the expense of a media specialist to help handle the external communications following a crisis.

Town of Bowling Green

ENVIRONMENTAL IMPAIRMENT LIABILITY

Coverage is only available to qualified members - see below

POLICY PERIOD:

07/01/2018 - 07/01/2019

LIMITS AND COVERAGES:

Per Pollution Condition	\$1,000,000
Per Named Insured aggregate limit	\$1,000,000
Aggregate Limit for all members combined	\$10,000,000

<i>Deductible</i>	\$25,000
	Self-insured retention

POLICY FORM:

Claims Made Form

Coverage Highlights

Provides both first (clean up) and third party (liability) coverage for covered locations (must be scheduled to have coverage) according to the terms and conditions of the policy.

Provides third party (liability) coverage for covered operations.

New Pollution conditions only.

Above ground storage tanks are included.

Underground storage tanks are excluded, however, coverage can be purchased by eligible members through simplified online application process at a reasonable cost.

Provides non-owned disposal site coverage (if trash is being hauled to a private landfill).

VML Insurance Programs Member Advantage

Coverage will be provided at no charge to members that purchase VMLIP's property and local government liability coverage.

This coverage is paid for by VMLIP and is insured outside the VMLIP program.

Town of Bowling Green

NO FAULT PROPERTY COVERAGE-OPTIONAL COVERAGE

POLICY PERIOD:

07/01/2018 - 07/01/2019

LIMITS AND COVERAGES:

Each occurrence limit \$10,000

Deductible: \$0

TOTAL CONTRIBUTION (NON-AUDITABLE):

No fault property damage coverage \$1,068 Annual premium

VML Insurance Programs Member Advantage

VML Insurance Programs offers optional no fault property damage coverage. This is provided on both the automobile and general liability policies on a non several basis. The coverage provides payments to third party claimants for property damage without regard to fault. The limit is \$10,000.00 per occurrence. The coverage is similar to medical payments coverage already available under the automobile and general liability policies which make no fault payments to third party claimants for bodily injury.

Town of Bowling Green

EXCESS LIABILITY COVERAGE

(over Local Government Liability and Automobile Liability)

POLICY PERIOD:

07/01/2018 - 07/01/2019

Following form over primary automobile liability, local government liability and employer's liability.

Occurrence - covers claims for personal injury or property damage which occur during the period 07/01/2018 through 07/01/2019.

Current Limit: \$3,000,000

Current Premium: \$1,000

<u>LIMIT</u>	<u>TOTAL CONTRIBUTION</u>
	Annual
\$3,000,000	\$1,000
\$4,000,000	\$1,152
\$5,000,000	\$1,272
\$6,000,000	\$1,370
\$8,000,000	\$1,472
\$10,000,000	\$1,578

Town of Bowling Green

PROPERTY COVERAGE

POLICY PERIOD:

07/01/2018 - 07/01/2019

<u>Limit</u>	<u>Coverage</u>	<u>Deductible</u>	<u>Wind Deductible</u>	<u>Annual Premium</u>
\$3,097,049	Blanket Real and Real Personal Property Replacement Cost, Agreed Amount	\$1,000	\$1,000	\$2,319
\$323,425	Miscellaneous Equipment, per schedule	Per schedule		\$300
\$20,548	Off Premises Power BI	\$500		Included
\$20,548	Off Premises Power PD	\$500		Included
	PROPERTY CONTRIBUTION, ANNUAL			\$2,619

PROPERTY AUTOMATIC EXTENSION OF COVERAGE

The following Property Extensions of Coverage are automatically provided as a part of the property program. Each Extension of Coverage stated below is provided on a per occurrence basis, except as noted. The extensions of coverage apply at premises specified in the Statement of Values. When additional limits are being quoted, the Extension of Coverage has been noted on the prior page and includes the limits stated below. The property deductible is a combined deductible and applies on a per occurrence basis. The deductible includes the Extension of Coverage except as otherwise stated.

- Replacement of the same or a different site permitted.
- Architects' and engineers' fees, plans, specifications and supervision included in any loss recovery.
- Water damage including backup of sewers and drains, underground water through foundations, walls and floors, and damages to basements covered up to the blanket limit.
- Error in Reporting by Insured Endorsement.
- Personal Property of Others automatically included in the definition of Personal Property.
- Retaining walls which are not part of the building, as long as they are scheduled on the Statement of Values.
- Collapse included as an additional coverage.
- Electronic Data Processing Equipment owned and used by the Named Member is included in the blanket limit of the policy.
- Property outside described premises is included when within 1000 feet of the premises. Expenses incurred by the insured to recover and temporarily safeguard property in the event of imminent or actual loss or damage by a covered cause of loss.
- Extra Expense: \$1,000,000 Limit
- Unscheduled Property: \$1,000,000 Limit for real and personal property combined.
- Debris Removal: \$500,000 Limit.
- Valuable Papers/Accounts Receivables: \$100,000 Limit
- Newly Acquired Property: \$2,500,000 subject to a maximum of \$250,000 for extra expense. Limited to \$1,500,000/\$100,000 for members in Tier 1 Windstorm category. 120 days.
- Business Ordinance/Increased Cost of Construction/Demolition: \$5,000,000 Limit.
- Flood (Zones B, C & X): \$1,000,000 Limit; \$25,000 deductible
- Earthquake: \$1,000,000 Limit; \$25,000 deductible

The options above are provided for no additional charge. Higher limits are available.

Valuation is at Replacement Cost except for vacant property or unless otherwise noted or endorsed. Replacement cost is the cost to repair, rebuild, or replace, at the same site, lost, damaged, or destroyed property, with other property of comparable size, material, and quality; or the applicable Limit of Coverage.

Town of Bowling Green

BOILER & MACHINERY/EQUIPMENT BREAKDOWN COVERAGE

POLICY PERIOD:

07/01/2018 - 07/01/2019

LIMITS AND COVERAGES:

Scope of Coverage:	Extended Comprehensive coverage for all boiler/machinery/electrical equipment including production and maintenance machines and computer control equipment used for energy control.
Property Damage Limit:	\$100,000
Property Damage Deductible:	\$1000 all object except \$5,000 on all transformers >5,000 KVA but <=20,000 KVA. \$10,000 on all transformers >20,000 KVA unless Property Damage Deductible listed above is more than the \$5,000 and \$10,000 exceptions, in which case the higher deductible applies.
Repair or Replacement Coverage:	Included
Explosion Coverage:	Included
\$100,000	-CFC (Refrigerant Coverage)
\$100,000	-Expediting Expenses
\$100,000	-Hazardous Substances
\$100,000	-Perishable Goods/Consequential Damage/Ammonia
\$250,000	-Demolition & Increased Cost of Construction
\$250,000	-Newly Acquired Location Coverage - 120 days
\$100,000	-Computer Coverage
Bodily Injury Liability:	Excluded
Lightning Loss:	Included
60 Days Notice of Cancellation:	Included
Ice rink piping exclusion applies.	

BOILER & MACHINERY/EQUIPMENT BREAKDOWN COVERAGE (Continued)

Loss Adjustment Agreement: Included

Extra Expense: Included

Limit of Loss: \$100,000
100% Period of Restoration

12 Hour Waiting Period

All Objects, Including Utility-Owned Transformers and Miscellaneous Electrical Apparatus used to supply power to the Premises of Insured (service interruption)

ANNUAL CONTRIBUTION: \$1,099

BOILER AND MACHINERY/EQUIPMENT BREAKDOWN HIGHLIGHTS

Extensions of coverage are as follows:

1. The functioning of a safety or protective device is not excluded.
2. Testing accidents are covered except for hydrostatic, gas pressure and insulation breakdown tests.
3. The failure of expendable items (gaskets, seals, etc.) is not excluded.
4. Leakage at joints, etc. is not excluded.
5. Data processing, calculating, and computing equipment is covered.
6. X-ray machines, spectrographs, etc. are covered.
7. Electrical drying out costs covered (flood is excluded).
8. Ovens, stoves, furnaces, incinerators and kilns are covered.
9. Elevators, escalators, conveyors, hoists and cranes are covered.
10. Perishable goods coverage extends to all perishables, not just food.

Coverage includes inspection of boilers and air compressors as required by the Department of Labor Industry.

Town of Bowling Green

CRIME/BOND COVERAGE

POLICY PERIOD:

07/01/2018 - 07/01/2019

Crime coverage provides protection from employee dishonesty, as well as protection from loss of money and securities.

LIMITS AND COVERAGES:

<u>Bond Type</u>	<u>Limit</u>	<u>Deductible</u>	<u>Contribution</u>
Form O:Public Employees Dishonesty Coverage Form	\$250,000	\$250	\$300
Form C:Theft, Disappearance, and Destruction Coverage Form	\$250,000	\$250	included
Form D:Robbery and Safe Burglary Coverage Form	\$20,000	\$250	included
Form B:Forgery or Alteration Coverage Form	\$250,000	\$250	included
Form R:Money & Counterfeit Papers	\$250,000	\$250	included

TOTAL CRIME / BOND CONTRIBUTION:

\$300 Annual Premium

Computer Fraud

Provides coverage for the loss of money and securities which occurs during a wire transfer subject to a limit of \$25,000 per occurrence.

Town of Bowling Green

WORKERS' COMPENSATION COVERAGE

VML Insurance Programs uses the classifications and codes established by National Council on Compensation Insurance which are the same as those used by insurance companies in Virginia.

CLASSIFICATION	CODE	PAYROLL	RATE*	PREMIUM
Water Dept. Employee	7520	\$144,932	3.12	\$4,522
Sewage Op/Drive	7580	\$87,634	1.40	\$1,227
Police Dept.	7720	\$61,292	3.16	\$1,937
Clerical	8810	\$187,366	0.10	\$187
Attorney	8820	\$19,294	0.11	\$21
Building Maint/Cust	9015	\$11,253	2.03	\$228
Park/Lawn, Parks & Rec, Non Construction	9102	\$64,659	2.70	\$1,746

Manual Premium	\$9,868
Experience Modification	0.8900
Modified Premium	\$8,783
Premium Discount	\$158
Deductible	\$0
Deductible Factor	
Scheduled Credit/Debit	\$0

07/01/2018 - 07/01/2019	Total Estimated Annual Premium	\$8,625
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VML Insurance Programs provides workers' compensation coverage in accordance with and limited to the Virginia Workers' Compensation Act and Employers Liability. Any other extensions of coverage requested in your specifications are not part of the coverage offered in the proposal.

Employers' Liability

Coverage A:	Statutory
Coverage B:	
Bodily Injury by Accident	\$1,000,000 each accident
Bodily Injury by Disease	\$1,000,000 each employee
Bodily Injury by Disease	\$1,000,000 policy limit

*Rates have been filed with the State Corporation Commission and are subject to approval.

Town of Bowling Green

LINE OF DUTY LIABILITY

POLICY PERIOD:

07/01/2018 - 07/01/2019

LIMITS AND COVERAGES:

Statutory.

POLICY FORM:

Claims made policy form with 07/01/2006 retroactive date.

Benefits:

All benefits are subject to approval by the State Comptroller and may include:

* Death Benefit of \$100,000 (\$25,000 if within 5 years of retirement)

* Continuation of health insurance benefits for:

Officer (in case of permanent disability)

Spouse (in case of officer death or permanent disability)

Children (in case of officer death or permanent disability) to age 26

* Covers LODA claims reported during the period 07/01/2018 through 07/01/2019.

	#
# of Paid LODA eligible employees (FTE)	2
# of LODA eligible volunteers	0

TOTAL ANNUAL ESTIMATED CONTRIBUTION:

\$1,472

Town of Bowling Green

CONTRIBUTION SUMMARY

	Annual Contribution
Automobile Liability Coverage	\$1,846
Auto Physical Damage Coverage	\$425
General Liability	\$2,310
Public Officials & Law Enforcement Liability	\$2,271
No Fault Property Damage	\$1,068
Environmental Impairment Liability	Included
Excess Coverage \$3,000,000	\$1,000
Property	\$2,319
Miscellaneous Items Coverage	\$300
Boiler & Machinery/Equipment Breakdown	\$1,099
Crime/Bond Coverage	\$300
Workers' Compensation Coverage	\$8,625
Line of Duty Act Coverage	\$1,472
Schedule Credit/Debit: (Included in Above Premiums)	\$0

Annual Premium	\$23,035
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Quarterly Installments available.

Signed Cover Page and Coverage Checklist must be signed and returned to VMLIP in order to bind coverage.

MEMBER NAME: Town of Bowling Green

MEMBER #: 0726

I. Coverages and Limits of Liability

<input checked="" type="checkbox"/>	Local Government Liability	
	Each Occurrence Limit	\$1,000,000
	Damages to Premises Rented to You	\$100,000
	Medical Expense Limit	\$10,000
	<input checked="" type="checkbox"/> No Fault Property Damage	\$10,000
	<input checked="" type="checkbox"/> Deductible	\$0
<input checked="" type="checkbox"/>	Automobile Liability	\$1,000,000 Combined Single Limit
	<input checked="" type="checkbox"/> Deductible	\$0
	<input checked="" type="checkbox"/> Uninsured Motorists	\$25,000 each person bodily injury/\$50,000 each accident bodily injury/\$20,000 each accident property damage
	<input checked="" type="checkbox"/> Automobile Medical Payments	\$10,000
	<input checked="" type="checkbox"/> No Fault Property Damage	\$10,000
<input checked="" type="checkbox"/>	Automobile Physical Damage	
	<input checked="" type="checkbox"/> Comprehensive	Actual Cash Value per vehicle per schedule
	<input checked="" type="checkbox"/> Collision	Actual Cash Value per vehicle per schedule
	<input checked="" type="checkbox"/> Deductible/Comprehensive	See Schedule
	<input checked="" type="checkbox"/> Deductible/Collision	See Schedule
<input type="checkbox"/>	Cyber Liability Damage	
	Deductible	
	Limit	
	Data Breach Fund Sublimit	
	Annual Member Aggregate/Shared Annual Pool Aggregate	\$0/\$0
<input checked="" type="checkbox"/>	Excess Liability	\$3,000,000
<input checked="" type="checkbox"/>	Property Coverage	If checked, subject to the Coverage Forms
<input checked="" type="checkbox"/>	Boiler and Machinery Coverage	If checked, subject to the Coverage Forms
<input checked="" type="checkbox"/>	Fidelity/Crime/Surety Coverage	If checked, subject to the Coverage Forms
<input checked="" type="checkbox"/>	Workers' Compensation Employers Liability	Statutory \$1,000,000 / \$1,000,000 / \$1,000,000
<input checked="" type="checkbox"/>	Line of Duty Act Liability	Statutory

For the period of July 1, 2018 to July 1, 2019 Local Government Liability and Automobile Liability is reinsured for amounts exceeding \$1,000,000 per occurrence on each line of coverage. Automobile physical damage coverage is reinsured excess of \$150,000.

For the period of July 1, 2018 to July 1, 2019 Cyber Liability is reinsured with \$25,000 per Claim retention limit.

For the period of July 1, 2018 to July 1, 2019 Property Coverage reinsurance is purchased excess of a \$1,000,000 retention on a per occurrence basis. The windstorm occurrence retention is \$1,000,000. Boiler and Machinery Coverage is reinsured with a \$100,000 retention except for objects over 350 hp, up to a \$350,000 retention.

For the period of July 1, 2018 to July 1, 2019, Fidelity, Crime and Surety Coverage is fully retained by VML Insurance Programs.

For the period of July 1, 2018 to July 1, 2019 Workers' Compensation and Employers Liability Coverage statutory reinsurance is purchased excess of a \$1,500,000 retention on a per occurrence basis.

For the period of July 1, 2018 to July 1, 2019 Line of Duty Act Liability Coverage the Pool will retain 100% of the exposure.

II. Contribution

See Contribution Summary Page. Due July 1, 2018. See Declaration Pages attached to Coverage Forms for contributions by individual coverage lines. The contribution was determined based on actuarially approved rates. In the event of a deficit in the Pool's fund, additional assessments may be imposed by the Members' Supervisory Board.

III. Servicing Company

VML Insurance Programs

IV. Liability of Members

A LOCAL GOVERNMENT GROUP SELF-INSURANCE POOL IS NOT PROTECTED BY THE VIRGINIA INSURANCE GUARANTY ASSOCIATION AGAINST DEFAULT DUE TO INSOLVENCY. IN THE EVENT OF INSOLVENCY, MEMBERS AND PERSONS FILING CLAIMS AGAINST MEMBERS MAY BE UNABLE TO COLLECT ANY AMOUNT OWED TO THEM BY THE POOL, REGARDLESS OF THE TERMS OF THE MEMBER AGREEMENT. IN THE EVENT THE POOL IS IN A DEFICIT POSITION, A MEMBER MAY BE LIABLE FOR ANY AND ALL UNPAID CLAIMS AGAINST SUCH MEMBER.

WITH REGARDS TO WORKERS' COMPENSATION LIABILITY, EACH MEMBER AGREES TO ASSUME AND DISCHARGE, JOINTLY AND SEVERALLY, ANY LIABILITY UNDER THE VIRGINIA WORKERS' COMPENSATION ACT OF ANY AND ALL EMPLOYERS PARTY TO SUCH AGREEMENT AND WHICH PROVIDES THAT, IN ADDITION TO THE RIGHTS OF THE POOL, IN THE EVENT OF FAILURE OF THE POOL TO ENFORCE SUCH RIGHTS AFTER REASONABLE NOTICE TO THE POOL, THE COMMISSION SHALL HAVE THE RIGHT INDEPENDENTLY TO ENFORCE ON BEHALF OF THE POOL THE JOINT AND SEVERAL LIABILITY OF ITS MEMBERS UNDER THE VIRGINIA WORKERS' COMPENSATION ACT AND THE LIABILITY OF MEMBERS FOR ANY UNPAID CONTRIBUTIONS OR ASSESSMENTS.

V. Rejection of Higher Uninsured Motorists Limits

THE MEMBER HAS READ THE MEMBER AGREEMENT AND THIS RENEWAL COVER PAGE, WHICH IS EXPRESSLY MADE PART OF THE MEMBER AGREEMENT. THE MEMBER HAS ALSO READ THE BUSINESS AUTOMOBILE POLICY AND THE BUSINESS AUTOMOBILE COVERAGE / RENEWAL DECLARATIONS. THE MEMBER ACKNOWLEDGES THAT THE BOARD OF VML INSURANCE PROGRAMS HAS NOT, BY RESOLUTION, OFFERED TO PROVIDE UNINSURED MOTORIST COVERAGE TO ITS MEMBERS. THE MEMBER UNDERSTANDS THAT IT IS POSSIBLE TO PURCHASE SUCH COVERAGE FROM OTHER COMMERCIAL CARRIERS, WITH COVERAGE LIMITS EQUAL TO THE POLICY'S LIABILITY COVERAGE LIMITS, UNLESS SUCH COVERAGE IS REJECTED BY THE MEMBER.

THE MEMBER UNDERSTANDS THAT IF ITS LIABILITY COVERAGE LIMIT EXCEEDS THE MINIMUM LIMIT SET BY VIRGINIA LAW, THE MEMBER MAY REJECT UNINSURED MOTORIST COVERAGE LIMITS EQUAL TO THE POLICY'S LIABILITY COVERAGE LIMIT, AND MAY SELECT LOWER LIMITS OF SUCH COVERAGE, PROVIDED THAT THE MEMBER MAY NOT SELECT UNINSURED MOTORIST COVERAGE IN AN AMOUNT LESS THAN THE MINIMUM LIABILITY COVERAGE LIMIT REQUIRED BY VIRGINIA LAW.

THE MEMBER HEREBY REJECTS UNINSURED MOTORIST COVERAGE AND UNDERINSURED MOTORIST COVERAGE IN THE AMOUNT EQUAL TO THE MEMBER'S LIABILITY COVERAGE LIMIT STATED IN THIS RENEWAL COVER PAGE, IN THE BUSINESS AUTOMOBILE POLICY, AND IN THE BUSINESS AUTOMOBILE COVERAGE / RENEWAL DECLARATIONS. THE MEMBER HEREBY SELECTS THE LOWER LIMIT OF UNINSURED MOTORIST AND UNDERINSURED MOTORIST COVERAGE STATED IN THIS RENEWAL COVER PAGE, IN THE BUSINESS AUTOMOBILE POLICY, AND IN THE BUSINESS AUTOMOBILE COVERAGE / RENEWAL DECLARATIONS.

(Signature of Authorized Member Representative)

Town of Bowling Green

(Date)

Coverage Checklist

Member Name: Town of Bowling Green

Effective Date: 07/01/2018

Termination Date: 07/01/2019

	Yes	No	
Renew As Expires:	<input type="checkbox"/>	<input type="checkbox"/>	If yes, please skip to the signature line.
Automobile Liability Coverage (required):	<input type="checkbox"/>	<input type="checkbox"/>	
Automobile Comprehensive and Collision Coverage:	<input type="checkbox"/>	<input type="checkbox"/>	
Please bind quoted options:			
Deductible Amount: _____			
Please remove physical damage coverage from all vehicles _____ years or older with a value in excess of \$ _____			
Local Government Liability Coverage	<input type="checkbox"/>	<input type="checkbox"/>	
Cyber Liability Coverage	<input type="checkbox"/>	<input type="checkbox"/>	
General Liability Coverage Only	<input type="checkbox"/>	<input type="checkbox"/>	Req. Limit Change of: \$ _____
No-Fault Property Damage Coverage	<input type="checkbox"/>	<input type="checkbox"/>	
Excess Liability Coverage	<input type="checkbox"/>	<input type="checkbox"/>	Req. Limit Change of: \$ _____
Property Coverage			
Please bind quoted deductible option of: \$ _____			
Flood (Special Flood Hazards Zones B, C & X)	<input type="checkbox"/>	<input type="checkbox"/>	Req. Limit Change of: \$ _____
Flood (Special Flood Hazards Zones A & V) NFIP	<input type="checkbox"/>	<input type="checkbox"/>	
Earthquake	<input type="checkbox"/>	<input type="checkbox"/>	Req. Limit Change of: \$ _____
Extra Expense	<input type="checkbox"/>	<input type="checkbox"/>	Req. Limit Change of: \$ _____
Boiler & Machinery	<input type="checkbox"/>	<input type="checkbox"/>	
Crime/Fidelity Coverage	<input type="checkbox"/>	<input type="checkbox"/>	
Line of Duty Act Coverage	<input type="checkbox"/>	<input type="checkbox"/>	
Workers' Compensation Coverage	<input type="checkbox"/>	<input type="checkbox"/>	
If you desire any increased limit, added coverage or deductible option that was not offered above, please state requested change here: _____			

Name Title Date