

A RESOLUTION ACCEPTING THE PROPOSAL OF ARTHUR J. GALLAGHER & CO. FOR LIABILITY INSURANCE FOR THE VILLAGE AND ITS EMPLOYEES AND DECLARING AN EMERGENCY

BE IT RESOLVED by the Council of the Village of Richfield, State of Ohio:

SECTION 1. That the proposal of Arthur J. Gallagher & Co. for liability insurance for the Village and its officers and employees, a copy of which proposal is attached hereto as Exhibit "A" and incorporated herein fully as if by reference, be, and the same hereby is, accepted. A 3 year rate guarantee is provided for Package and POL policies, subject to acceptable loss experience.

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

Passed:

February 23, 1998

Michael J. Peters
President of Council

Donald W. Larsen
Mayor

Dated: 2/24/98

ATTEST:

Carol Gibson
Clerk of Council

EXHIBIT "A"

Village of Richfield
Property & Liability Insurance

- Summary of Gallagher Proposal -

Broad Insurance Coverage

Generally equivalent to or broader than current - see attached for details
Various options offered

Cost Savings

\$17,885 savings (40%)
Stable - three year program
Fixed costs, not assessable
No audits (vehicle changes, etc.)

Knowledgeable Insurance Agent

Arthur J. Gallagher & Co.
Listed New York Stock Exchange
150 offices including 6 in Ohio
5,000+ national public entities
200+ public entities serviced by Cleveland office

Administer various property and liability insurance pools

Sound Insurance Company

Coregis Insurance Group
Owned by GE Capital

From 1997 Best's Insurance Report:

'strong and sustainable earnings'
'specialized public entity underwriting expertise'
'stable long-term customer base'
'focus on its core public entity book'
'high quality balance sheet'
'consistently maintained strong underwriter trends...outperforming its ...peers'
'highly disciplined risk selection approach'

Comprehensive Services

Claims administration
Loss Control seminars, assistance
Management information

Village of Richfield Property & Liability Insurance Comparison

Key: Meaningful advantages are shaded

Insurance Limits

Item	Current Policy per Occur	Gallagher Proposed per Occur
General Liability	1,000,000	1,000,000
Employee Benefit Liability	1,000,000	1,000,000
Ohio Stop Gap	1,000,000	1,000,000
Cemetery Liability	1,000,000	1,000,000
Fire Legal - Real Property	100,000	100,000
Fire Legal - Real Property -Fire Dept	1,000,000	100,000
Premise Medical	5,000	5,000
Police Professional Liability	1,000,000	1,000,000
Auto Liability	1,000,000	1,000,000
Uninsured Motorists	100,000	100,000
Auto Physical Damage		
Fire Trucks and Ambulance	agreed amount	agreed amount
All Other Vehicles	actual cash value	actual cash value
Freezing Coverage- Emergency Veh.	included	included
Sound Receiving Equipment	included	included
Volunteer/Employee Personal Autos	included	included
Public Official Liability	1,000,000	3,000,000
Fire Dept	1,000,000	included
Injunctive Relief claims	5,000 F.D. only	10,000 option for all ops.
* Excess Liability (See Attachment B)	2,000,000	2,000,000
Property		
Real & Personal Property	2,282,141 (+ 16,120)	2,339,000
Demolition & Increased Cost	0	234,000
Property Commandeered by Fire Dept	250,000	included in above
Inland Marine		
Contractor's Equipment	426,000	500,000
Radios and Radar Equipment	204,435	250,000
Fire Equipment	359,466	400,000
EDP		
Equipment	276,182	325,000
Media	14,045	included in above
Extra Expense	14,045	included in above
Boiler & Machinery	2,282,141	50,000,000

Insurance Limits (continued)

Item	Current Policy		Gallagher Proposed	
	per Occur	Aggregate	per Occur	Aggregate
Crime				
Employee Dishonesty	0		100,000	
Faithful Performance	0		included	
Depositors' Forgery	0		50,000	
Money & Securities	0		25,000	

Deductibles

Item	Current	Gallagher
General Liability	0	0
Employee Benefit Liability	1,000	1,000
Police Professional	2,500	2,500
Auto Liability	0	0
Public Official Liability	5,000	5,000
Property		
Blanket Building and Contents	1,000 & 250 F.	1,000 & 250 F.D.
Inland Marine Coverages	500	500
EDP	500 & 1,000	500
Auto Physical Damage		
Comprehensive	250	250
Collision	500	500
Boiler & Machinery	1,000	1,000

Premium

Item	Current	Gallagher
Total Premium	44,937	27,052
		1,731
		28,783

* Increase in Umbrella Limit

This is a summary of major coverage details. It is not a complete description of coverage. Various policy terms, conditions, exclusions, limitations, sublimits, aggregate limits, etc. are not included. For a full description of coverage, refer to the actual / sample insurance policies.

The summary of current insurance is based on information provided by your Village. Please review to assure accuracy.

Excess / Umbrella Liability Coverage Summary

General Coverage Description

Increases your liability insurance limits. This insurance also 'drops down' if the primary policy aggregate limits are exhausted.

Insurance Limits 2,000,000 per occurrence
 2,000,000 annual aggregate

➤ Aggregate limit does not apply to Automobile Liability

Schedule of Underlying Policies

A summary required of Underlying Primary Limits over which this policy applies is:

- 1,000,000 General Liability
- 1,000,000 Employee Benefits Liability
- 1,000,000 Ohio Stop-Gap
- 1,000,000 Law Enforcement Liability
- 1,000,000 Automobile Liability

Coverage does not apply excess of:
Uninsured / Underinsured Motorists
Public Official Liability

Self-Insured Retention 10,000 per occurrence

Notations

➤ There is no guarantee that any limit is adequate. Higher limits are available:

<u>Umbrella Limit</u>	<u>Additional Cost (add to above \$2,000,000 cost)</u>
5,000,000	932
10,000,000	1,731

➤ Policy terms, conditions, exclusions, restrictions, etc. may not be the same as the primary policies. Please see policies for full details.



TELEFAX

**Gallagher Companies
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1500 West Third Street, Suite 405
Cleveland, Ohio 44113
216/566-9799
In Ohio 800/272-3495
Fax 216/566-9977**

Mary Linton Miller
direct line: 216/830-2105

DATE: April 7, 1998
TO: Robert Wilkinson
Service Director
The Village of Richfield
Fax: 330/659-6935
RE: General Liability Insurance
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Per our conversation, if the village enters into a lease agreement with the Revere School District with regards to the playground and softball fields at the Richfield Elementary School, the General Liability Insurance Policy dated 3/1/98 would protect the village from losses subject to the policy terms and conditions. The limits of this policy would apply and are \$1,000,000 per occurrence and \$2,000,000 aggregate. The village also has an Excess Liability Policy dated 3/1/98 that has a \$10,000,000 limit and would apply above the General Liability Policy.

Please provide us with a copy of the lease agreement once it is executed and we will add the school district as an additional insured for the purposes of this transaction.

Warm regards,


Mary Linton Miller

please note our new address