



City of Ann Arbor

# Proposal

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## PRESENTED BY HYLANT

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## PREMIUM SUMMARY

Insurance	Renewal Date	Expiring 2023 / 2024	Renewal 2024 / 2025	Increase/Decrease
<b>Auto Physical Damage</b>	<b>1-Jul</b>	<b>Allianz</b>	<b>Allianz</b>	
Deductible per vehicle, maximum \$75K each occ.		\$ 25,000	\$ 25,000	
Total values (purchase price)		\$ 22,947,405	\$ 23,906,394	4.2%
Rate per '100		\$ 0.44220	\$ 0.44676	1.0%
<b>Premium</b>		<b>\$ 101,474</b>	<b>\$ 106,804</b>	<b>5%</b>
<b>Workers' Compensation - employees outside of MI</b>	<b>1-Jul</b>	<b>Midwest Employers NC</b>	<b>Midwest Employers IN, NC</b>	
States Included:		NC	IN, NC	
Workers' Compensation		Statutory Benefits	Statutory Benefits	
Employers Liability Limits		\$1M / \$1M / \$1M	\$1M / \$1M / \$1M	
Payroll		\$ 83,000	\$ 163,840	97.4%
<b>Premium</b>		<b>\$ 522</b>	<b>\$ 599</b>	<b>15%</b>
<b>Total</b>		<b>\$ 101,996</b>	<b>\$ 107,403</b>	<b>5%</b>

Third Party Administrator (TPA) for Workers Compensation Claims Handling	Renewal Date	Comp One Expiring 2021 / 2024			Comp One Renewal 2024 /2027			Increase/Decrease
		Estimated # Claims	Fee per Claim	Total Estimated Annual Fees	Estimated # Claims	Fee per Claim	Total Estimated Annual Fees	
<b>Service Fees</b>	<b>1-Jul</b>							
Indemnity Claims		11	\$ 900	\$ 9,900	16	927	\$ 14,832	49.8%
Advanced Medical Claims		2	\$ 400	\$ 800	6	412	\$ 2,472	209.0%
Medical Only Claims		60	\$ 155	\$ 9,300	51	160	\$ 8,160	-12.3%
Record Only Claims		1	\$ 35	\$ 35	0	35	\$ -	-100.0%
Administration Fee				\$ 5,150			\$ 5,150	0.0%
<b>Total Estimated Service Fees</b>				<b>\$ 25,185</b>			<b>\$ 30,614</b>	<b>21.6%</b>

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## 2024 AUTOMOBILE PHYSICAL DAMAGE SUMMARY

Insurance to cover physical damage claims to the City's vehicle fleet is currently placed with Allianz. As discussed during our renewal strategy meeting in April, we anticipated a minor rate increase from Allianz, but did not have the underwriter's forecast yet. Allianz has provided renewal pricing with a 1% rate increase. This is well below current market conditions for automobile insurance with typical rate increases between +5% and +10%.

### MARKETING SUMMARY

The following carriers were approached this year:

**Allianz** – quoted renewal

**Berkley Fire and Marine** – unable to offer coverage for vehicles over the road

**Berkley Mid-Atlantic Insurance Group** – declined, not writing standalone auto physical damage

**Chubb** – declined, Chubb is not offering auto physical damage coverage within their property line of business

**Hudson Insurance Company** – declined, no longer offering coverage for public entities

**Liberty Mutual** – declined, no longer doing standalone auto without a supporting line of coverage

**Lloyds** – not competitive with Allianz program

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# AUTOMOBILE PHYSICAL DAMAGE INSURANCE

**NAMED INSURED:** City of Ann Arbor  
**INSURANCE COMPANY:** AGCS Marine Insurance Company (Allianz)  
**POLICY TERM:** 7/1/2024 to 7/1/2025

## UNSCHEDULED EQUIPMENT

COVERAGE DESCRIPTION	MAXIMUM PER ITEM	LIMIT	COINS
Vehicle schedule on file with company		\$23,906,394	
Additionally Acquired Property (45 days)		\$250,000	
Unscheduled Non-Owned Vehicles and Equipment	\$500,000	\$1,000,000	
Deductible – per vehicle		\$25,000	

## VALUATION:

- Actual cash value

## CAUSE OF LOSS:

- “All Risk” of direct physical loss or damage to covered property from any external cause except those causes of loss excluded per policy form

## EXCLUSIONS INCLUDE BUT ARE NOT LIMITED TO:

- Nuclear
- War and military action
- Unexplained disappearance
- Wear and tear
- Mechanical breakdown
- Insects, birds, rodents
- Rust or other corrosion

## ADDITIONAL COVERAGES INCLUDE BUT ARE NOT LIMITED TO:

- Rental Reimbursement of Additional Transportation Expense: \$10,000

## COVERAGE TERMS INCLUDE BUT ARE NOT LIMITED TO:

- Deductible is capped at three per occurrence

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# WORKERS COMPENSATION INSURANCE

**NAMED INSURED:** City of Ann Arbor  
**INSURANCE COMPANY:** Midwest Employers Casualty Co  
**POLICY TERM:** 7/1/2024 to 7/1/2025

COVERAGE DESCRIPTION	LIMIT
Worker's Compensation	Statutory
Employers' Liability – Each Accident	\$1,000,000
Employers' Liability – Disease – Policy Limit	\$1,000,000
Employers' Liability – Disease – Each Employee	\$1,000,000

### COVERAGE:

- Workers' Compensation - applies to work related bodily injury by accident or bodily injury by disease, including death. Benefits are determined by the applicable state's workers' compensation law.
- Employers Liability - pays amounts you legally must pay as damages, as permitted by law, because of bodily injury to your employees.

### EXCLUSIONS INCLUDE BUT ARE NOT LIMITED TO:

- Injury to leased/temporary workers
- Volunteers
- Liability assumed under a contract
- Punitive or exemplary damages because of bodily injury to an employee employed in violation of the law
- Bodily injury occurring outside the US, its territories and possessions, Canada
- Damages arising out of discharge or discrimination against any employee in violation of the law

### COVERAGE TERMS INCLUDE BUT ARE NOT LIMITED TO:

- Premium is subject to audit
- Other States Insurance Applies in All States Except ND, OH, WA, WY

### PAYROLL ESTIMATES:

STATE	CODE	CLASSIFICATION	20XX RATE	20XX RATE	ESTIMATED PAYROLL
NC	8810	Clerical			\$90,000
IN	8810	Clerical			\$73,840

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## THIRD PARTY ADMINISTRATOR (TPA) – COMP ONE

CompOne Administrators  
An FDI Group Company  
39500 High Pointe Boulevard  
Suite 400  
Novi, Michigan 48375

### **Contract Term**

The Service Contract with CompOne is dated 7/1/2019 and was initially issued for a two year period. It was extended from 7/1/2021 to 7/1/2024. Comp One is offering a second three-year contract extension for the period of 07/01/2024 to 07/01/2027.

### **Service Fee (per claim pricing model)**

The service fee is based on a per claim of:

- 16 Indemnity Claims at \$927 per claim
- 6 Advanced Medical Claims @ \$412 per claim
- 51 Medical Only Claims @ \$160 per claim
- 1 Record Only Claims @ \$35 per claim
- Administration fee @ \$5,150 per year

Estimated Annual Service Fee = \$30,614

Minimum Annual Service Fee = \$29,084

This rate is guaranteed for 3 years.

### **Annual Audits**

The annual service fee can be billed in monthly, quarterly or annual installments. There will be an annual audit performed at the end of each contract year to determine actual annual total claim counts.

Price includes:

- Claims management
- Account Executive Services
- Claim System Access
- Claim Activity Reports

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