



HYLANT

INSURANCE PROPOSAL

City of Ann Arbor

PRESENTED BY:

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MAY 25, 2022

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Premium Summary

	Renewal Date	Expiring 2021 / 2022	Renewal 2022 / 2023	Increase/Decrease	Renewal with updated values ² 2022 / 2023
Michigan Excess Workers' Compensation ¹	1-Jul	Midwest Employers	Midwest Employers		
Aggregate Limit		\$ 5,000,000	\$ 5,000,000		
Specific Retention		\$ 500,000	\$ 500,000		
Retention - Police and Fire		\$ 650,000	\$ 650,000		
Total Annual Payroll		\$ 65,159,131	\$ 65,159,131	0.0%	
Premium		\$ 87,509	\$ 87,509	0%	
Auto Physical Damage	1-Jul	Allianz	Allianz		Allianz
Deductible per vehicle, max \$75K each occurrence.		\$ 25,000	\$ 25,000		\$ 25,000
Total values (purchase price)		\$ 27,017,765	\$ 22,936,808	-15.1%	TBD
Rate per '100		\$ 0.42126	\$ 0.44862	6.5%	
Premium		\$ 113,815	\$ 102,898	-10%	\$ 120,000

Notes:

1. Excess Workers' Compensation policy is 2-year term, 7/1/2021-7/1/2023. Approved by City Council in 2021. Annual installments shown for each year.
2. Premium for the Auto Physical Damage is estimated to increase when total vehicle values are adjusted.

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2022 Automobile Physical Damage Summary

The Auto Physical Damage coverage was previously included in the City's Property Insurance with AIG until 3/1/2020. The property insurance markets were no longer willing to include the Auto Physical Damage coverage at that time and a standalone policy was placed with Allianz.

MARKETING SUMMARY

The following carriers were considered for the 2022 renewal:

Allianz – quoted renewal with 2.9% rate increase for all vehicles valued < \$1,000,000. Higher valued vehicles now have an increased rate with a higher deductible of \$50,000. The City has one vehicle valued \$1,043,685 that brings the overall rate increase up to 6.5%.

This rate increase is program wide. Each account received this increase, with adjustments made for individual members loss history. The City has not had any claims against this program, and therefore did not have a higher increase. Loss free credit is available after 3 consecutive years with no claims.

Chubb – not writing stand alone Auto Physical Damage, not able to add to property insurance

Intact (Formerly One Beacon) – declined in 2021 and appetite has not changed, no longer writing stand-alone Auto Physical Damage.

Liberty – declined in 2021 and appetite has not changed, advised they could not compete with the expiring structure (deductible capped at \$75,000 per occurrence) or cost

Hudson – Program available for auto physical damage, broker at Apex advised Hudson is more expensive than Allianz, not able to offer comparable coverage terms (deductible capped at \$75,000 per occurrence, automatic new acquisitions up to 45 days)

Travelers – Would need to write supporting lines of coverage to consider the Auto Physical Damage, Indicated pricing would be well over \$200,000.

NEEDED FOR RENEWAL

There are 3 units on the schedule with no value / purchase price shown. Please provide the cost new so these 3 units can be included for coverage:

- Public Works – 1995 Haz Mat 24 ft. Trailer – asset # 1030
- Fire Department – need year and value, Pierce Custom Pumper w/IRS – asset # 1065
- Fire Department – 2006 Spartan VA42G-2142 – asset # 1072

In addition, Allianz is requesting that attached equipment values be split out from vehicle values. We have advised that this project will take additional time to complete and may not be available before 7/1/2022.

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2022 Automobile Physical Damage Summary

NAMED INSURED: City of Ann Arbor

INSURANCE COMPANY: AGCS Marine Insurance Company (Allianz)

POLICY TERM: 7/1/2022 to 7/1/2023

COVERAGE DESCRIPTION	LIMIT
Vehicle Values	\$22,936,808
Additional Acquired Equipment (120 days)	\$250,000
Unscheduled Non-Owned Vehicles and Equipment	\$1,000,000
Employers' Liability – Disease – Each Employee	\$1,000,000
Deductible	\$25,000
Deductible for vehicles valued over \$1,000,000	\$50,000

CAUSE OF LOSS:

“All Risk” of direct physical loss of or damage caused by a Covered Cause of Loss to Covered Property

Exclusions include but are not limited to:

- Nuclear
- War and military action
- Fungi, wet rot and dry rot
- Virus, bacterium or other microorganism

COVERAGE TERMS INCLUDE BUT ARE NOT LIMITED TO:

- Unscheduled Non-Owned subject to \$500,000 limit any one item
- Deductible is capped at three per occurrence
- Temporary Transportation Rental Expense included up to \$10,000

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