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RESOLUTION NO. 2021-21
INTRODUCED BY: Mayor Bodnar

**AN EMERGENCY RESOLUTION
AUTHORIZING MAYFIELD VILLAGE TO EXPEND FUNDS
IN AN AMOUNT NOT TO EXCEED \$130,000 TO WICHERT INSURANCE SVC, INC.
FOR RENEWAL POLICY OF BUSINESS INSURANCE COVERAGE**

WHEREAS, based upon recommendation, it has been deemed in the best interest of the health, safety and welfare of all Village residents and inhabitants to renew the Village's business insurance coverage;

WHEREAS, the Village of Mayfield has business insurance coverage provided by Wichert Insurance SVC, Inc.; and

WHEREAS, the current business insurance policy will expire on June 30, 2021; and

WHEREAS, the Director of Finance for the Village of Mayfield has reviewed the business insurance renewal policy and recommended that the Village Council approve and accept the business insurance renewal policy from Wichert Insurance SVC, Inc.

BE IT RESOLVED BY THE COUNCIL OF MAYFIELD VILLAGE, OHIO, THAT:


SECTION 1. The Council of Mayfield Village hereby approves and authorizes an expenditure not to exceed \$130,000 to Wichert Insurance SVC, Inc. for the business insurance coverage renewal policy for the period of July 1, 2021 to June 30, 2022.

SECTION 2. The Council of Mayfield Village does hereby direct the Mayor and President of Council to enter into contract with Wichert Insurance SVC, Inc. for the business insurance coverage renewal policy for the period of July 1, 2021 to June 30, 2022.

SECTION 3. The Council finds and determines that all formal actions of this Council relating to the adoption of this Resolution have been taken at open meeting of this Council; and that deliberations of this Council and of its committees, resulting in such formal action, took place in meetings open to the public, in compliance with all statutory requirements including requirements of Section 121.22 of the Ohio Revised Code.

SECTION 4. This resolution is hereby declared to be an emergency measure immediately necessary for the preservation of health, safety and welfare of the residents of Mayfield Village, Ohio, for the reason that it provides for necessary insurance coverage for the

protection of the residents of the Village of Mayfield and is a time sensitive matter. It shall, therefore, take effect immediately upon the passage by the affirmative vote of not less than five (5) members elected to Council and approved by the Mayor or otherwise at the earliest time allowed by law.



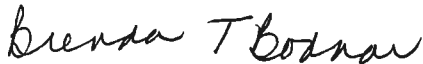
STEPHEN SCHUTT
Council President

First Reading: June 21, 2021

Second Reading: _____, 2021

Third Reading: _____, 2021

PASSED: June 21, 2021




BRENDA T. BODNAR, Mayor

APPROVED AS TO FORM:



ANTHONY J. COYNE, ESQ.,
Director of Law

ATTEST:  _____
MARY E. BETSA, MMC,
Clerk of Council

VILLAGE OF MAYFIELD
7/1/2021 Renewal

	<u>2020-2021</u>	<u>Annualized</u>	<u>2021-2022</u>
Property	\$17,408	\$18,108	\$19,301
Inland Marine	8,767	\$8,767	8,722
General Liability	9,686	9,686	10,344
Auto	31,150	33,645	35,787
POL	7,899	7,899	7,601
Umbrella	17,746	17,746	19,436
Abuse	<u>2,457</u>	<u>2,457</u>	<u>2,457</u>
TOTAL	\$95,113	\$98,308	\$103,648
Law	8,906	8,906	8,959
Boiler-C.N.A.	4,700	4,700	5,030
Cyber	8,270	8,270	8,270*
Crime	<u>included</u>	<u>included</u>	<u>included</u>
TOTALS	\$116,989	\$120,184	\$125,907

Annualized Changes:

Property- increased values 2.7%/added dwelling

Auto- added 3 vehicles/deleted 1 vehicle

*Policy may be extended 30 days, up to max 60 days if the Cyber conditions are put in place- Multi-Factor Au

June 16, 2021

Village of Mayfield
6622 Wilson Mills Rd.
Mayfield, Ohio 44143
Attn: Ron Wynne, Director of Finance

RE: Insurance Renewal - Effective July 1, 2021

Dear Ron:

This year's renewal of the Mayfield Village Property and Liability Insurance program comes just after the anniversary of the onset of COVID. Last year we suggested a "shelter in place" mentality, although many insureds have been forced to change insurers due to increased prices and restricted terms. We can say with certainty that 2021 continued the latter half of 2020 with increased pricing in all lines. Attached is the Willis Towers Spring Price indicator for a point of reference.

Fortunately we are steering clear of many of these issues in large part to Selective's long term stability in the Ohio Municipal marketplace. The areas of slight increase beyond normal property increased values are an additional net vehicle and the Cyber Program. Gaining headlines today of course is the Cyber Insurance crisis spawned by growing Cyber attacks.

When we began your Cyber Program we knew that the "Discovery" basis of these coverages would cause an upward trend in the premium as each year passed and losses developed. We even indicated that we had little claim activity to support trends and pricing. Now only a few years later I believe everyone knows that every business and every Public Entity has exposures that threaten the insurability of the risk. These claim drivers (bad guys) do not know the difference between a Public Entity and a Private Business.

The point here is the long term understandings of Liability Protections in ORC 2744 since 1987 leave us with very apparent premium advantages in all lines except Cyber! In your case the premium is approaching that of the General Liability policy and may exceed it in the future. The Travelers renewal reflects the newest underwriting restrictions and rush to control loss with such things as the Multi-Factor Authentication.

Wichert Insurance has opened Cyber relationships with most Carriers. By definition of the "discovery" provisions and retro dates on coverage, it is not easy or desirable to move from carrier to carrier for these lines. We feel Travelers is still the leader in Public Entity Cyber coverages and the effort to meet their requirements for this renewal will be worthwhile.

As we hopefully move away from COVID, left will likely be increased Property Insurance rates and an uncertain future in Law Enforcement Liability. This is NOT reflected in this renewal as the Hudson Law Enforcement renewal is flat. Wichert Insurance, as one of Hudson's largest producers continues to combine this program with Selective's package and Umbrella.

Village of Mayfield
June 16, 2021
Page 2

Knowing you are at the OAPT this week, we are sending and as always, happy to sit down and discuss further.

Wichert Insurance continues to provide Insurance and Risk Management services throughout Ohio as well as over half of Cuyahoga County Municipalities. And now over 25 years with Mayfield Village! Thank You for all your attention and assistance in this program!

Sincerely,

Wichert Insurance



Thomas H. Wichert, CPCU, ARM
Principal & CEO

Village of Mayfield

Insurance and Risk Management Proposal

Policy Period: July 1, 2021 – July 1, 2022

Carrier: Selective Insurance Company
Hudson Insurance Company
Travelers Casualty & Surety Company of America
C.N.A. Insurance Company

Presented By: Thomas H. Wichert, CPCU, ARM
Principal and CEO



1200 Graham Road
Cuyahoga Falls, OH 44224
www.wichert.com

Village of Mayfield

PREMIUM SUMMARY

I.	Property	Included
II.	Boiler/Equipment Breakdown.....	Included
III.	Inland Marine	Included
IV.	Crime.....	Included
V.	Cyber Liability.....	Included
VI.	Automobile.....	Included
VII.	General Liability	Included
VIII.	Abuse/Molestation.....	Included
IX.	Law Enforcement.....	Included
X.	Public Officials/Employment Practices Liability	Included
XI.	Umbrella	Included
	Annual Premium	\$125,907

COMPANIES:

Selective Insurance Company
A.M. Best's Rating: A: XIV
(All coverages except Law Enforcement, Crime and Cyber)

Hudson Insurance Company
A.M. Best's Rating: A: XV
(Law Enforcement)

Travelers Casualty and Surety Company of America
A.M. Best's Rating: A+: XV
(Crime and Cyber)

C.N.A. Insurance Company
A.M. Best's Rating: A: XV
(Boiler/Equipment Breakdown)

Certified Acts of Terrorism Coverage is included on all lines

Disclaimer: This presentation represents a general description of proposed insurance coverage. This summary is necessarily brief and is meant only as a supplement to the actual policies. The information presented limits itself to the highlights of various coverages and cannot be applied as a substitute for the actual insurance policies. Further clarification of coverages, conditions, or exclusions may be obtained from the specific insurance policies and forms.

Village of Mayfield

I. PROPERTY

A.	Blanket Buildings, PIO, and Business Personal Property.....	\$29,352,346
B.	Coverage for Underground Fiber Optic Cables-all locations	Included
C.	Historical House – Building/Contents (not incl. in blanket)	\$1,255,650
D.	Special Form Perils Including Theft and Earthquake (10%/15% Deductible).....	Included
E.	Replacement Cost Coverage.....	Included
F.	Coinsurance	Agreed Amount
G.	Deductible (disappearing).....	\$1,000
H.	Extensions:	
1.	Accounts Receivable	\$250,000
	Fire Department Actual Loss Sustained	
2.	Arson, Theft and Vandalism Rewards	\$25,000
3.	Automated External Defibrillators	\$10,000
4.	Back Up of Sewer, Drain or Sump Direct Damage	\$100,000
5.	Building Owner –Tenant Move Back Expenses	\$25,000
6.	Business Income/Extra Expense.....	Actual Loss Sustained
7.	Business Income at Newly Acquired Location	\$250,000
8.	Canine Coverage.....	\$10,000/\$25,000
9.	Claim Expenses.....	\$50,000
10.	Commandeered Property.....	Actual Loss Sustained
11.	Communication Equipment.....	\$100,000
	Fire Department.....	Actual Loss Sustained
12.	Computer Equipment and Electronic Data.....	\$100,000
	Fire Department.....	Actual Loss Sustained
12.	Computer – Virus or Harmful Code	\$25,000/\$75,000
13.	Confiscated Property – Any One Year.....	\$100,000
14.	Debris Removal.....	\$50,000
	Fire Department.....	Actual Loss Sustained
15.	Fine Arts	\$25,000
	Fire Department.....	Actual Loss Sustained
16.	Fire Extinguisher Equipment	Actual Loss Sustained
17.	Grave Markers & Headstones	\$25,000/\$50,000
18.	Installation Property.....	\$25,000
19.	Lock Replacement if keys are stolen	\$10,000
20.	Loss Reduction Rewards	
	10% of loss or maximum	\$25,000
21.	Mobile Equipment.....	\$25,000
22.	Money and Securities Off Premises/On Premises	\$25,000
23.	Newly Acquired or Constructed Buildings	\$2,000,000
	(if reported within 180 days)	
24.	Ordinance or Law (A) –Undamaged Parts of Building	Included in Bldg Limit
	(B) – Demolition Costs.....	\$500,000
	(C) – Increased Cost of Construction	\$500,000
	Ordinance or Law for Fire Dept (B & C).....	Actual Loss Sustained

Village of Mayfield

PROPERTY EXTENSIONS- CONTINUED

25. Outdoor Property	\$500,000
26. Outdoor trees, shrubs & plants (\$2,500 any one item)	\$25,000/100,000
27. Personal Effects	\$5,000/\$25,000
Fire Department.....	Actual Loss Sustained
28. Personal Property at Newly Acquired Locations	\$1,000,000
(if reported within 180 days)	
29. Personal Property at Unnamed Premises	\$100,000
30. Pollutant Clean Up and Removal.....	\$25,000
Fire Department.....	Actual Expenses Incurred
31. Property In Transit	\$50,000
32. Spoilage due to utility failure	\$25,000
33. Tools & Equipment	\$10,000
34. Underground Fiber Optic Cable.....	\$10,000/\$50,000
35. Valuable Papers and Records	\$250,000
Fire Department.....	Actual Loss Sustained

*Coverage extensions apply to property located in or on the building described in the declarations or in the open (or in a vehicle) within 1,500 feet of the described premises.
Deductible- Subject to the property deductible or \$500, whichever is less*

II. BOILER/EQUIPMENT BREAKDOWN

A. Total Limit Per Breakdown.....	\$30,607,886
B. Business Income and Extra Expense	\$1,000,000
C. Property Damage Deductible.....	\$5,000
Business Income and Extra Expense Deductible.....	24 Hours
D. Additional Coverages:	
Ammonia Contamination.....	\$250,000
Consequential Loss.....	\$250,000
Data & Media- Covered Equipment.....	\$250,000
Hazardous Substance.....	\$250,000
Water Damage.....	\$250,000

Coverage: Equipment Breakdown Protection covering Boilers, Pressure Vessels, Mechanical & Electrical Equipment including Air Conditioning, Refrigeration Equipment, Computer Equipment and Production Machines- Includes all Buildings scheduled on the SOV.

Village of Mayfield

III. INLAND MARINE

A. Contractors Equipment	\$848,941
B. Leased/Rented Equipment	\$70,000
C. VESP- Emergency Services Portable Equipment	\$486,033
D. Valuable Papers	\$345,000
E. Fine Arts-Antiques in Historical House.....	\$193,910
F. Electronic Information Systems- Hardware.....	\$100,000
Extra Expense.....	\$100,000
G. All Risks Perils with Deductible	\$500

IV. CRIME

A. Employee Theft.....	\$1,000,000
B. Retention.....	\$25,000
C. Faithful Performance of Duty.....	\$50,000
D. Includes coverage for Treasurers and Tax Collectors and Excess over Statutory Bonded Officials	
E. Forgery or Alteration.....	\$50,000
F. Money & Securities-On Premises.....	\$50,000
G. Money & Securities- In Transit.....	\$50,000
H. Computer Fraud.....	\$500,000
I. Computer Program and Electronic Data Restoration Expense.....	\$100,000
J. Funds Transfer Fraud.....	\$500,000
K. Social Engineering Fraud.....	\$100,000
K. Retention (E-J).....	\$10,000
L. Claims Expense.....	\$5,000

V. CYBER LIABILITY

Subject to Controls Being Implemented

Breach Liability	
Network Security and Privacy Liability	\$1,000,000
Payment Card Costs.....	\$1,000,000
Media.....	\$1,000,000
Regulatory Proceedings	\$500,000
Retention	\$10,000
Breach Response	
Privacy Breach Notification	\$1,000,000
Computer and Legal Experts	\$1,000,000
Betterment.....	\$100,000
Cyber Extortion.....	\$1,000,000
Data Restoration.....	\$1,000,000
Public Relations.....	\$1,000,000
Retention	\$10,000
Cyber Crime	
Computer Fraud & Funds Transfer	Included in Crime
Social Engineering Fraud.....	\$100,000
Telecom Fraud	\$100,000
Retention	\$10,000
Business Loss	
Business Interruption	\$1,000,000
Dependent Business Interruption.....	\$1,000,000
Reputation Harm	\$100,000
System Failure.....	\$250,000
Retention	\$10,000
Cyber Aggregate.....	\$1,000,000

VI. AUTOMOBILE LIABILITY

- A. Limit Per Occurrence\$1,000,000
Combined Single Limit Bodily Injury and Property Damage Liability
- B. Medical Payments\$5,000
- C. Uninsured/Underinsured Motorists.....\$100,000
All Owned Autos
Hired and Non-Owned Auto
Includes Fellow Volunteer extension
Fellow Employee exclusion deleted
- D. Comprehensive Deductible\$500
Includes Value Guard for Fire Department Vehicles
- E. Collision Deductible\$1,000
Includes Value Guard for Fire Department Vehicles

Extensions of Coverage:

- 1. Pollution exclusion does not apply to “emergency operations” or “training operations”
- 2. Hired car physical damage included- \$250,000 Limit
- 3. Lease-Gap coverage included for any leased vehicle
- 7. Glass deductible waived for all vehicles.

VII. GENERAL LIABILITY

A. General Aggregate Limit.....	\$2,000,000
B. Products-Completed Operations Aggregate	\$2,000,000
C. Personal Injury/Advertising Injury.....	\$1,000,000
D. Each Occurrence.....	\$1,000,000
E. Damage to Premises Rented to You.....	\$1,000,000
F. Medical Expense.....	Not Covered
G. Employer's Liability Stop-Gap.....	\$1,000,000
H. Employee Benefits Liability	\$1,000,000

-7/1/2004 Retro Date and \$1,000 Each Employee Deductible

Additional Coverages Included:

1. Premises & Operations
2. Products & Completed Operations
3. Independent Contractors
4. Employees, Elected Officials & Volunteers As Additional Insureds
5. Temporary Liquor Liability
6. Blanket Contractual Liability
7. Broad Form Property Damage
8. Hostile Fire Pollution Liability
9. Non-Owned Aircraft
10. Non-Owned Watercraft (without size limit)
11. Injunctive Relief Defense Expense - \$7,500
12. Emergency Services Errors and Omissions

Exclusions:

1. Riot, Civil Commotion or Mob Action
2. Inverse Condemnation
3. Asbestos
4. Injury to Volunteer Firemen
5. Law Enforcement Activities
6. Failure to Supply
7. Pollution

Village of Mayfield

VIII. ABUSE/MOLESTATION

A. Each Abuse or Molestation	\$1,000,000
B. Aggregate.....	\$1,000,000
C. Deductible.....	None

IX. LAW ENFORCEMENT LIABILITY

A. Limit Each Person.....	\$1,000,000
B. Limit Each Wrongful Act	\$1,000,000
C. Annual Aggregate.....	\$1,000,000
D. Deductible.....	\$5,000

Includes:

1. Consent to Settle with 70/30 soft hammer clause
2. Line of Duty Death Coverage

X. PUBLIC OFFICIALS/EMPLOYMENT PRACTICES LIABILITY

A. Limit Each Wrongful Act	\$1,000,000
B. Annual Aggregate.....	\$1,000,000
C. Deductible.....	\$5,000
D. Claims Made coverage Retroactive Date.....	9/1/99
E. Public Officials Non-Monetary Suit Defense Costs.....	\$10,000 Per Claim/\$50,000 Agg.
F. Loss of Wages.....	Per Claim \$100,000/ \$250,000 Aggregate
G. Employment Non-Monetary Suit Defense Costs...	\$100,000 Per Claim/\$100,000 Agg.

Includes:

1. Limited Civil Legal Expense Endorsement
Per Claim \$50,000 || Aggregate..... | \$300,000 |
- 2. Regulatory Taking of Private Property Endorsement
Per Claim \$100,000 || Aggregate..... | \$100,000 |
- 3. Property Damage Definition Endorsement
Per Claim \$100,000 || Aggregate..... | \$100,000 |

XI. UMBRELLA

- A. Limit Each Occurrence\$10,000,000
- B. Aggregate.....\$10,000,000
- C. Retention Nil

Coverage over General Liability, Automobile Liability, Law Enforcement Liability, and Public Officials Liability

Aggregate Limit applies separately to each line of coverage and per location

Umbrella Limit does not apply to any sub-limits under any underlying liability coverages

OPTIONS/ CONDITIONS

Cyber Liability Condition - Travelers

To extend the policy 30 days to a maximum of 60 days- monthly premium based on current premium- Travelers needs a rough outline of the changes being made to be MFA compliant and a timeline to implement the changes.

**Option – Selective Insurance Company - Cyber Liability - \$100,000 Limit
\$200 Annual Premium**

- **W/ Comp:** “Renewals are experiencing flat to modest rate increases as carriers seek to offset exposure-driven premium reductions brought on by pandemic-impacted payrolls and to fund COVID-19 losses from high-severity employers.”

The following table summarizes the expected pricing range for select lines compared to Willis’ previous edition. Note, shaded cells depict areas where price predictions either accelerated or decelerated.

Exhibit 20

Willis Towers Key Price Predictions - 2021 Spring Update (April Issue)

<u>Segments</u>	<u>2021 (November 2020)</u>	<u>2021 Spring Update (April 2021)</u>
Casualty		
General Liability	+7.5% to +15.0%	+7.5% to +15.0%
Workers' Compensation	Flat to +4.0%	Flat to +4.0%
Auto Liability	+8.0% to +15.0%	+8.0% to +15.0%
Umbrella (High Hazard)	+50.0%>	+50.0%>
Umbrella (Low/Moderate Hazard)	+30.0%>	+30.0%>
Excess (High Hazard)	+150.0%>	+100.0%>
Excess (Low/Moderate Hazard)	+75.0%>	+50.0%>
International	+10%	+7% to +10%
Property		
Non-challenged Occupancies	+15.0% to +25.0%	+5.0% to +15.0%
Challenged Occupancies	+30.0%>	+20.0%>
Executive Risks		
D&O - Public Co (Primary)	+20.0% to +50.0%>	+10.0% to +40.0%>
D&O - Private / Not-For-Profit	+10% to +50.0%	+5% to +45.0%
D&O - Financial Institutions	+15.0% to +50.0%	+15.0% to +50.0%
Errors & Omissions	+10.0% to +20.0%	+10.0% to +25.0%
Employment Practices Liability	+10.0% to +30.0%	+20.0% to +40.0%
Fiduciary	+5.0% to +70.0%	+5.0% to +70.0%
Other Lines of Interest		
Cyber	+10.0% to +30.0%	+25.0% to +50.0%
Fidelity & Crime	+5.0% to +15.0%	+5.0% to +15.0%
General Aviation	+25.0%>	+20.0% to +40.0%
Airlines	+25.0% to +40.0%	+25.0% to +40.0%
Energy Downstream	+30.0%>	+12.5% to +30.0%
Energy Upstream	+5.0%>	+5.0% to +7.5%
Kidnap & Ransom	-5.0% to +5.0%	-5.0% to +5.0%
Marine Hull & Liability	New Classification	+5.0% to +30.0%
Personal Lines	+5.0% to +9.0%	+5.0% to +9.0%
Political Risk	Flat to +20.0%	Flat to +20.0%
Surety	Flat to +20.0%	Flat to +10.0%
Terrorism	Flat to +5.0%	Flat to +10.0%
Trade Credit	+10.0% to +40.0%	Flat to +40.0%
Life Sciences	Flat to +10.0%	Flat to +10.0%
Alternative Risk Transfers	Flat to +20.0%	Flat to +20.0%
<i>Source: WLTV Insurance Marketplace Realities</i>	Deceleration vs. last update	Acceleration vs. last update