

# MICHIGAN MUNICIPAL RISK MANAGEMENT AUTHORITY COVERAGE PROPOSAL

<b>Member:</b>	<b>City of Rochester Hills</b>	<b>Proposal No: Q000014538</b>
<b>Date of Original Membership:</b>	<b>July 27, 1985</b>	
<b>Proposal Effective Dates:</b>	<b>July 01, 2024 To July 01, 2025</b>	
<b>Member Representative:</b>	<b>Joe Snyder</b>	<b>Telephone #: (248) 841-2534</b>
<b>Regional Risk Manager:</b>	<b>Ibex Insurance Services</b>	<b>Telephone #: (248) 538-0470</b>

## A. Introduction

The Michigan Municipal Risk Management Authority (hereinafter "MMRMA") is created by authority granted by the laws of the State of Michigan to provide risk financing and risk management services to eligible Michigan local governments. MMRMA is a separate legal and administrative entity as permitted by Michigan laws. **City of Rochester Hills** (hereinafter "Member") is eligible to be a Member of MMRMA. **City of Rochester Hills** agrees to be a Member of MMRMA and to avail itself of the benefits of membership.

**City of Rochester Hills** is aware of and agrees that it will be bound by all of the provisions of the Joint Powers Agreement, Coverage Documents, MMRMA rules, regulations, and administrative procedures.

This Coverage Proposal summarizes certain obligations of MMRMA and the Member. Except for specific coverage limits, attached addenda, and the Member's Self Insured Retention (SIR) and deductibles contained in this Coverage Proposal, the provisions of the Joint Powers Agreement, Coverage Documents, reinsurance agreements, MMRMA rules, regulations, and administrative procedures shall prevail in any dispute. The Member agrees that any dispute between the Member and MMRMA will be resolved in the manner stated in the Joint Powers Agreement and MMRMA rules.

## B. Member Obligation - Deductibles and Self Insured Retentions

**City of Rochester Hills** is responsible to pay all costs, including damages, indemnification, and allocated loss adjustment expenses for each occurrence that is within the Member's Self Insured Retention (hereinafter the "SIR"). **City of Rochester Hills's** SIR and deductibles are as follows:

**Table I**  
**Member Deductibles and Self Insured Retentions**

COVERAGE	DEDUCTIBLE	SELF INSURED RETENTION
Liability	N/A	\$150,000 Per Occurrence
Vehicle Physical Damage	N/A	N/A
Fire/EMS Replacement Cost	\$10,000 Per Occurrence	N/A
Property and Crime	\$10,000 Per Occurrence	N/A
Sewage System Overflow	N/A	\$150,000 Per Occurrence

The member must satisfy all deductibles before any payments are made from the Member's SIR or by MMRMA.

The **City of Rochester Hills** is afforded all coverages provided by MMRMA, except as listed below:

1. Specialized Emergency Response Expense Recovery Coverage
- 2.
- 3.
- 4.

All costs including damages and allocated loss adjustment expenses are on an occurrence basis and must be paid first from the Member's SIR. The Member's SIR and deductibles must be satisfied fully before MMRMA will be responsible for any payments. The most MMRMA will pay is the difference between the Member's SIR and the Limits of Coverage stated in the Coverage Overview.

**City of Rochester Hills** agrees to maintain the Required Minimum Balance as defined in the Member Financial Responsibilities section of the MMRMA Governance Manual. The Member agrees to abide by all MMRMA rules, regulations, and administrative procedures pertaining to the Member's SIR.

**C. MMRMA Obligations - Payments and Limits of Coverage**

After the Member's SIR and deductibles have been satisfied, MMRMA will be responsible for paying all remaining costs, including damages, indemnification, and allocated loss adjustment expenses to the Limits of Coverage stated in Table II. The Limits of Coverage include the Member's SIR payments.

The most MMRMA will pay, under any circumstances, which includes payments from the Member's SIR, per occurrence, is shown in the Limits of Coverage column in Table II. The Limits of Coverage includes allocated loss adjustment expenses.

**Table II**  
**Limits of Coverage**

Liability and Motor Vehicle Physical Damage	Limits of Coverage Per Occurrence		Annual Aggregate	
	Member	All Members	Member	All Members
1 Liability	15,000,000	N/A	N/A	N/A
2 Judicial Tenure	N/A	N/A	N/A	N/A
3 Sewage System Overflows	500,000	N/A	500,000	N/A
4 Volunteer Medical Payments	25,000	N/A	N/A	N/A
5 First Aid	2,000	N/A	N/A	N/A
6 Vehicle Physical Damage	N/A	N/A	N/A	N/A
7 Uninsured/Underinsured Motorist Coverage (per person)	100,000	N/A	N/A	N/A
Uninsured/Underinsured Motorist Coverage (per occurrence)	250,000	N/A	N/A	N/A
8 Michigan No-Fault	Per Statute	N/A	N/A	N/A
9 Terrorism	5,000,000	N/A	N/A	5,000,000

Property and Crime	Limits of Coverage Per Occurrence		Annual Aggregate	
	Member	All Members	Member	All Members
1 Buildings and Personal Property	83,280,575	350,000,000	N/A	N/A
2 Personal Property in Transit	2,000,000	N/A	N/A	N/A
3 Unreported Property	5,000,000	N/A	N/A	N/A
4 Member's Newly Acquired or Constructed Property	10,000,000	N/A	N/A	N/A
5 Fine Arts	2,000,000	N/A	N/A	N/A
6 Debris Removal (25% of Insured direct loss plus)	25,000	N/A	N/A	N/A
7 Money and Securities	1,000,000	N/A	N/A	N/A
8 Accounts Receivable	2,000,000	N/A	N/A	N/A
9 Fire Protection Vehicles, Emergency Vehicles, and Mobile Equipment (Per Unit)	5,000,000	10,000,000	N/A	N/A
10 Fire and Emergency Vehicle Rental (12 week limit)	2,000 per week	N/A	N/A	N/A
11 Structures Other Than a Building	15,000,000	N/A	N/A	N/A
12 Dam/Dam Structures/Lake Level Controls	0	N/A	N/A	N/A
13 Transformers	0	N/A	N/A	N/A
14 Storm or Sanitary Sewer Back-Up	1,000,000	N/A	N/A	N/A
15 Marine Property	1,000,000	N/A	N/A	N/A
16 Other Covered Property	20,000	N/A	N/A	N/A
17 Income and Extra Expense	5,000,000	N/A	N/A	N/A
18 Blanket Employee Fidelity	1,000,000	N/A	N/A	N/A
19 Faithful Performance	Per Statute	N/A	N/A	N/A
20 Earthquake	5,000,000	N/A	5,000,000	100,000,000
21 Flood	5,000,000	N/A	5,000,000	100,000,000
22 Terrorism	50,000,000	50,000,000	N/A	N/A

**Table III**

Network and Information Security Liability, Media Injury Liability, Network Security Loss, Breach Mitigation Expense, PCI Assessments, Social Engineering Loss, Reward Coverage, Telecommunications Fraud Reimbursement, Extortion.				
	<b>Limits of Coverage Per Occurrence/Claim</b>	<b>Deductible Per Occurrence/Claim</b>		<b>Retroactive Date</b>
	\$2,000,000			
<b>Coverage A</b> Network and Information Security Liability: Regulatory Fines:	Each Claim Included in limit above  Each Claim Included in limit above	\$25,000	Each Claim	7/1/2013
<b>Coverage B</b> Media Injury Liability	Each Claim Included in limit above	\$25,000	Each Claim	7/1/2013
<b>Coverage C</b> Network Security Loss  Network Security Business Interruption Loss:	Each Unauthorized Access Included in limit above  Each Business Interruption Loss Included in limit above	\$25,000	Each Unauthorized Access  Retention Period of 72 hours of Business Interruption Loss	Occurrence
<b>Coverage D</b> Breach Mitigation Expense:	Each Unintentional Data Compromise Included in limit above	\$25,000	Each Unintentional Data Compromise	Occurrence
<b>Coverage E</b> PCI Assessments:	Each Payment Card Breach \$1,000,000 Occ./\$1,000,000 Agg. Included in limit above	\$25,000	Each Payment Card Breach	Occurrence
<b>Coverage F</b> Social Engineering Loss:	Each Social Engineering Incident \$100,000 Occ./\$100,000 Agg. Included in limit above	\$25,000	Each Social Engineering Incident	Occurrence
<b>Coverage G</b> Reward Coverage	Maximum of 50% of the Covered Claim or Loss; up to \$25,000 Included in Limit above		Not Applicable	Occurrence
<b>Coverage H</b> Telecommunications Fraud Reimbursement	\$25,000 Included in limit above		Not Applicable	Occurrence
<b>Coverage I</b> Extortion Coverage	Each Claim Included in limit above	\$25,000	Each Extortion Loss	Occurrence

Annual Aggregate Limit of Liability

<b>Each Member Aggregate</b>	<b>All Members Aggregate</b>
\$2,000,000	\$17,500,000

The Each Member Aggregate Limit of Liability for the combined total of all coverage payments of MMRMA and MCCRMA shall not exceed \$2,000,000 per Member for all Subjects of Coverage in any Coverage Period, regardless of the number of coverage events.

The All Member Aggregate Limit of Liability for the combined total of all coverage payments of MMRMA and MCCRMA shall not exceed \$17,500,000 for All Members for all Subjects of Coverage in any Coverage Period, regardless of the number of Members or the number of coverage events.

It is the intent of MMRMA that the coverage afforded under the Subjects of Coverage be mutually exclusive. If however, it is determined that more than one Subject of Coverage applies to one coverage event ensuing from a common nexus of fact, circumstance, situation, event, transaction, or cause, then the largest of the applicable Deductibles for the Subjects of Coverage will apply.

**Table IV**

**Specialized Emergency Response Expense Recovery Coverage**

**Limits of Coverage**

<b>Specialized Emergency Response Expense Recovery</b>	<b>Limits of Coverage per Occurrence</b>		<b>Annual Aggregate</b>	
	<b>Member</b>	<b>All Members</b>	<b>Member</b>	<b>All Members</b>
	N/A	N/A	N/A	N/A

**Table V**

**Specialized Emergency Response Expense Recovery Coverage**

**Deductibles**

<b>Specialized Emergency Response Expense Recovery</b>	<b>Deductible per Occurrence</b>
	<b>Member</b>
	N/A

**D. Contribution for MMRMA Participation**

City of Rochester Hills

**Period: July 01, 2024 To July 01, 2025**

Coverages per Member Coverage Overview:	\$458,498
Stop Loss Coverage:	\$0
Member Loss Fund Deposit:	\$20,000
<b>TOTAL ANNUAL CONTRIBUTIONS:</b>	<b>\$478,498</b>

**E. List of Addenda**

1. Limited Liability Coverage For Use or Operations of Unmanned Aircraft
2. Manuscript Addendum w/o signature

**This document is for the purpose of quotation only and does not bind coverage in the Michigan Municipal Risk Management Authority, unless accepted and signed by both the authorized Member Representative and MMRMA Representative below.**

**Accepted By:**  
City of Rochester Hills

**Proposal No:**  
Q000014538

**MMRMA**



\_\_\_\_\_  
**Member Representative**

\_\_\_\_\_  
**MMRMA Representative**

\_\_\_\_\_  
**Date**

6-12-2024

\_\_\_\_\_  
**Date**

**MICHIGAN MUNICIPAL RISK MANAGEMENT AUTHORITY**

IT IS HEREBY AGREED AND UNDERSTOOD THE FOLLOWING IS AMENDED TO READ:

Table II Property and Crime

13. Transformers

Limits of Coverage Per Occurrence:

Member - \$2,500,000      All Members – N/A

Annual Aggregate:

Member – N/A      All Members N/A



ADDENDUM

LIMITED LIABILITY COVERAGE FOR USE OR OPERATIONS OF UNMANNED AIRCRAFT  
(Optional)

This addendum modifies the Liability and Motor Vehicle Physical Damage Coverage Document

A. LIMITATIONS OF COVERAGE, PROCEDURES, EXCLUSIONS, DEFINITIONS.

1. MMRMA will pay for any loss as defined in Sections 1 and 2 of the Liability and Motor Vehicle Physical Damage Coverage Document, caused by the use or operation of an Unmanned Aircraft, the actual loss up to a \$1,000,000 limit per occurrence and subject to a \$2,000,000 annual member aggregate.
2. The Member Duties, Responsibilities, Other Conditions stated in Section 7 of the Liability and Motor Vehicle Physical Damage Coverage Document shall apply to Limited Liability Coverage for use or operations of Unmanned Aircraft.
3. As respects this Limited Liability Coverage for Use or Operations of Unmanned Aircraft Addendum, Section 7; Member Duties, Responsibilities, Other Conditions, of the Liability and Motor Vehicle Physical Damage Coverage Document is amended to include the following:

P. FAA COMPLIANCE

The terms of this Addendum apply only if the Member is in compliance with all FAA rules and regulations governing the use or operation of an unmanned aircraft, at time of occurrence.

4. The Liability and Motor Vehicle Physical Damage Coverage Document Section 4, Definitions, shall apply to this Limited Liability Coverage For Use Or Operation Of An Unmanned Aircraft Addendum.
5. As respects this Limited Liability Coverage For Use Or Operations Of Unmanned Aircraft Addendum, Section 2; Exclusion C, of the Liability and Motor Vehicle Physical Damage Coverage Document is deleted in its entirety and replaced by the following:

EXCLUSIONS

- C. Ownership, maintenance, loading or unloading, use or operation of any aircraft (other than unmanned aircraft), airfields, or runways; watercraft over 75 feet in length;

Period: 07/01/2024 to 07/01/2025

LIMITED LIABILITY COVERAGE FOR USE OR OPERATIONS OF UNMANNED AIRCRAFT  
(Optional)

Accepted By:  
City of Rochester Hills

Member ID:  
1280

MMRMA



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Member Representative

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MMRMA Representative

6-12-2024

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Date

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Date