



**City of Rochester Hills
AGENDA SUMMARY
FINANCIAL ITEMS**

**1000 Rochester Hills Dr.
Rochester Hills, MI 48309
248.656.4630
www.rochesterhills.org**

Legislative File No: 2009-0273

TO: Mayor and City Council Members

FROM: Keith Sawdon, Finance Director, 2535

DATE: July 13, 2009

**SUBJECT: Blanket Purchase Order Renewal Insurance Coverage
(Liability, Motor Vehicle Physical Damage, Property and Crime)**

REQUEST:

Requesting approval for Blanket Purchase Order for insurance coverage (general liability, motor vehicle physical damage, property and crime coverage) through Risk Management Authority (MMRMA) which will also include pool contributions/costs, stop loss coverage, SIR (self insured retention) fund replenishment, legal defense and risk management consulting in an amount not-to-exceed \$623,000 through June 30, 2010.

REASON FOR PURCHASE:

The City has been a member of the Michigan Municipal Risk Management Authority (MMRMA) self-insurance pool since 1985. The Authority is organized under the laws of the State of Michigan to provide assistance with administrative claims, the purchase of reinsurance, legal defense, risk management and loss control services to Michigan cities, counties, townships and special purpose governments. Participating governmental entities contribute to the insurance pool based on the value of property covered, size of payroll, size/extent of operations, claim experience and industry conditions. The membership is a continuous membership.

The City is required to maintain, on account with MMRMA, sufficient funds to pay its SIR obligation. SIR obligations are unpredictable and can change significantly after a claim/event is reported. The requested blanket is comprised of \$488,000 for coverage costs, 35,000 for Stop Loss Coverage and \$100,000 for Self Insurance Retention.

PROCESS:

Vendor Name and Address:

Michigan Municipal Risk Management Authority
14001 Merriman
Livonia, Michigan 48154

Reason for Selection:

Insurance Renewal

Method of Purchase:

Blanket Purchase Order

BUDGET:

The 2009/2010 contribution is an estimate at this time.

Fund Name	Department Account No	Account No. Description	2009 Budget Amount	2nd half of 2009 Cost	Remaining Budget
Insurance Fund	677.910000	Liability Insurance	610,000	310,000	300,000

Fund Name	Department Account No	Account No. Description	2010 Budget Amount	1st half of 2010 Cost	Remaining Budget
Insurance Fund	677.910000	Liability Insurance	623,000	313,000	300,000

RECOMMENDATION:

We recommend that City Council approve the resolution authorizing the City's contribution to the Michigan Municipal Risk Management Authority (MMRMA) for insurance coverage (general liability, motor vehicle physical damage, property and crime coverage) pool contributions/costs, stop loss coverage, SIR (self insured retention) fund replenishment, legal defense and risk management consulting in the amount not-to-exceed \$623,000 through June 30, 2010.

APPROVALS:	SIGNATURE	DATE
Department Review		
Department Director		
Budget Content: Finance Director		
Purchasing Process: Supervisor of Procurement		
Mayor		
City Council Liaison		