



August 31, 2015

Mr. Frank Brichacek  
Finance Director  
City of Willoughby Hills  
35405 Chardon Road  
Willoughby Hills, OH44094

RE: City of Willoughby Hills Property and Casualty Insurance RFP

Mr. Brichacek:

USI Midwest is pleased to present a proposal for the Property and Casualty insurance program for the City of Willoughby Hills. Our quote is a three year rate guarantee, subject to a 60% loss ratio.

We have enclosed a binder with our capabilities and the proposal for coverage through the Public Entity Pool (PEP) of Ohio. PEP writes nothing but municipal business in the State of Ohio. Their focus is on municipalities, water districts, park and health districts. Their forms are written to address the unique exposures faced by these entities throughout the state.

Founded 28 years ago PEP is one of the largest and oldest municipal pools in the state of Ohio. They currently have over 500 members utilizing their services throughout the state. As part of our packet we have included information regarding the pool including a list of references, a copy of the PEP intergovernmental contract (IGC) and their Demotech rating for your review.

The Public Entity Pool is backed by Lexington, Travelers, Argo Group and GenRe. The AM Best rating for these carriers is a minimum of "A" for each carrier by A.M. Best. Additionally PEP is independently rated by Demotech. Demotech provides independent financial analysis of insurance pooling structures throughout the United States. PEP has received a "AAA", Unsurpassed rating from Demotech for over 20 contiguous years.

In reviewing the RFP documents and comparing them to the quotes we are providing we noticed that there were a number of differences in the proposals. We have included these differences in our coverage comparison.

USI Midwest Public Sector Group focuses on municipalities in the State of Ohio. Based in Dayton, Ohio with offices in Cleveland and Cincinnati, our group currently writes over 150 municipal entities throughout the state. We are well versed in the exposures that are unique to public entities. We understand and educate our public entity clients on protections provided to them through the sovereign immunity clause in the Ohio Revised Code and the collateral source laws that are in force to protect the assets of municipalities.

In addition to the coverages provided through the Public Entity Pool, USI Midwest Public Sector Group is pleased to offer the following services;

- Claims Review – USI Midwest will all claims for frequency and severity. If requested or required USI will schedule claims review with the village to review claims severity, frequency and to discuss open claims reserves and options.
- Loss Control and Property Appraisal – The PEP program uses PERSO for loss control and claims handling. PERSO believes in a proactive approach to loss control. If the City of Willoughby Hills becomes a client of USI Midwest, PERSO will immediately schedule a loss control visit. Additionally Ed Chorey, our in house loss control consultant, can also provide the city with Marshall & Swift replacement cost evaluations for all larger city owned structures.
- USI Midwest has its own staff of claims management specialists. We have the ability to take the first notice of claim and walk you through the claims process. Our experienced claims staff is well versed in the sovereign immunity clause and collateral source laws to help in minimizing the City of Willoughby Hills’s loss experience.
- USI Risk Management Center – The USI Risk Management Center is a web-based comprehensive risk management , employee safety and compliance platform. This proprietary USI Insurance Services program provides efficient, cost-effective time saving solutions for our clients risk management needs. Benefits include:
  - Online/Internet-driven programs to train employees efficiently and effectively
  - OSHA compliance and loss preventions programs



UNDERSTAND. SERVICE. INNOVATE

- Online Training Library
- Management of Certificates of Insurance
- HR & Benefits Database
- Job Description Tacking
- Employee Training Management
- Incident Tracking/Trending and Claims Reporting

We appreciate the opportunity to provide a proposal to the City of Willoughby Hills for your Property and Casualty Insurance Program. If there are any questions or points that require further clarification please do not hesitate to contact us. We look forward to your response.

Best Regards,

A handwritten signature in black ink, appearing to read "Rob Beglin", written over a horizontal line.

Rob Beglin  
Vice-President  
USI Insurance Services



COP

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## PEP INSURANCE PROPOSAL

*Prepared for:*

**City of Willoughby Hills, Ohio**

*Policy Period:* October 1, 2015 to October 1, 2016

*Presented by:* Rob Beglin, Vice President

*Date Prepared:* August 31, 2015

*This is a coverage summary, not a legal contract. This summary is provided to assist in your understanding of your insurance program. Please refer to the actual policies for specific terms, conditions, limitations and exclusions that will govern in the event of a loss. Specimen copies of all policies are available for review prior to the binding of coverage.*

*Higher limits and additional coverage may be available. Please contact us if you are interested in additional quotes*

USI Midwest LLC · 131 N. Ludlow, Suite 700 · Dayton, OH 45402 · 937.223.8891 · [www.usi.biz](http://www.usi.biz)

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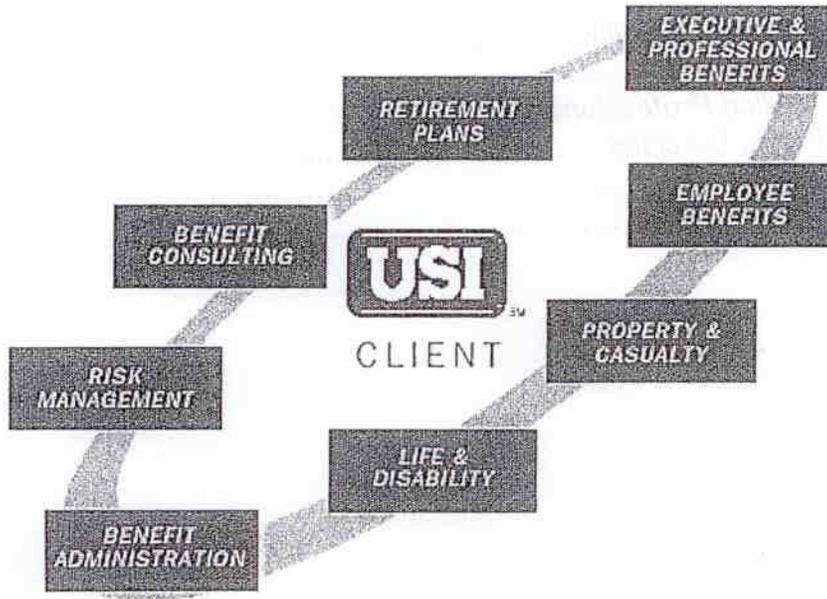
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# About USI

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## THE POWER OF ONE

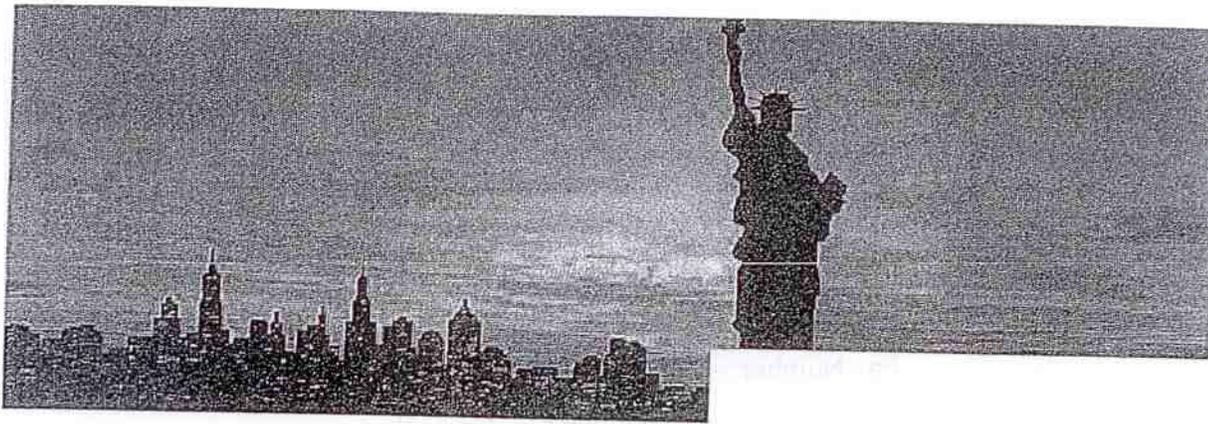
*What makes USI different from other traditional brokers and consultants?*



A single source.

One point of contact. One service administrator.  
One source for all of your insurance and financial services.

USI's unique delivery design gives you unparalleled single-source access to a complete array of linked solutions from our nationwide network of strategic partnerships – and a corresponding, cohesive service program that is not just convenient, but responsive to your risk management profile.



## Public Entities

With a long history of partnering with public entities, USI understands that risk management in the public sector is not the same as risk management in the private sector.

Effectively managing risk in the public sector requires the assistance of a special broker who understands the distinct exposures of public entities and one who can work with you in developing a program that best meets your needs.

Making sound decisions regarding loss control and risk financing requires balancing the often-conflicting objectives of maintaining a desirable tolerance of risk while still meeting obligations to provide services, and doing so within a limited budgeting horizon and under what can sometimes be a great deal of political scrutiny.

USI is prepared to assist you with all your risk management needs whether you are a State, County, City Government, Town or Township, School District or Special Purpose District.

### PRODUCTS

- Property Insurance Coverage
- Broad Form Commercial Property Including Business Income
- Commercial Inland Marine
- Boiler and Machinery
- Commercial Crime
- Commercial Automobile
- Garage
- Ocean Marine
- Aviation

### LIABILITY INSURANCE COVERAGE

- Commercial General Liability
- Workers Compensation and Employers Liability
- Fiduciary Liability
- Medical Professional Liability
- Environmental Impairment Liability
- Airport Liability
- Excess and Umbrella Liability

### SPECIAL LIABILITY COVERAGE

- Public Officials Liability
- Police Professional Liability
- Educators Legal Liability
- Contracts of Suretyship
- Public Official Bonds

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# Pool Administration

## Administrator

York Risk Services Inc.  
29200 Northwestern Highway, Suite 300  
Southfield, MI 48034  
Direct Number: 800-367-4818  
Fax Number: 248-358-2276  
Underwriter: Pete Brunett

## Pool Attorney

Jenks, Surdyk & Cowdrey Co. LPA  
130 W. Second Street  
Dayton, OH 45402  
Direct Number: 937-222-2333

## Claims Service

Public Entity Risk Services of Ohio (PERSO)  
Direct Number: 866-907-3776  
Fax Number: 614-729-6049  
E-Mail: [Deborah.henry@persopool.com](mailto:Deborah.henry@persopool.com)

## Loss Control

Public Entity Risk Services of Ohio (PERSO)  
Direct Number: 866-907-3776  
Greg Songer, Specialist: [Greg.songer@persopool.com](mailto:Greg.songer@persopool.com)  
Mike Boyd, Specialist: [Mike.boyd@persopool.com](mailto:Mike.boyd@persopool.com)

## Auditing

Plante & Moran, PLLC  
1111 Michigan Avenue  
East Lansing, MI 48823  
Kevin Krause [Kevin.krause@plantemoran.com](mailto:Kevin.krause@plantemoran.com)

# Service Team

## Sales Executive

Your Sales Executive is *Rob Beglin*

Direct Number: 937-913-1320

Fax Number: 866-972-7405

E-Mail: [Rob.beglin@usi.biz](mailto:Rob.beglin@usi.biz)

## Account Executive

Your Account Executive is *April Valenti*

Direct Number: 937-913-1329

Fax Number: 866-972-4838

E-Mail: [April.valenti@usi.biz](mailto:April.valenti@usi.biz)

## Account Manager

Your Account Manager is *Shannon A Caudill*

Direct Number: 937-913-1307

Fax Number: 866-869-1297

E-Mail: [Shannon.Caudill@usi.biz](mailto:Shannon.Caudill@usi.biz)

## Assistant Account Manager

Your Assistant Account Manager is *Alicia Haber*

Direct Number: 937-913-1331

Fax Number: 866-972-5136

E-Mail: [Alicia.haber@usi.biz](mailto:Alicia.haber@usi.biz)

## Assistant Account Manager

Your Assistant Account Manager is *Melinda McNabb*

Direct Number: 937-913-1324

Fax Number: 866-969-1297

E-Mail: [Melinda.mcnabb@usi.biz](mailto:Melinda.mcnabb@usi.biz)

# Property

Company: Public Entities Pool of Ohio

Policy Term: 10/1/2015 to 10/1/2016

Property	Limit	Valuation	Deductible
Blanket Building	\$12,538,055	Replacement Cost	\$ 1,000
Blanket Personal Property	\$ 3,528,242	Replacement Cost	\$ 1,000
Flood Limit	\$1,000,000		\$50,000
Earthquake Limit	\$1,000,000		\$50,000

## Special Conditions

- No Blanket Personal Property at locations with no limit shown
- Exclusions: Any City owned property not listed on the property schedule
- Flood / Earthquake Coverage – Excludes Zones A & AV

Other exclusions and policy limitations may apply. Please refer to the actual policies for specific terms, conditions, limitations and exclusions that will govern in the event of a loss.

## Property - continued

Description	Limit
Accounts Receivable	\$250,000
Animal Mortality	\$10,000
Arson Reward	\$5,000
Backup of Sewers/Drains and Surface Water	\$25,000
Building Materials and Supplies	\$10,000
Data Processing Equipment	\$250,000
Debris Removal	\$250,000
Earnings	\$100,000
Error or Omissions	\$500,000
Extra Expense	\$250,000
Fire Department Service Charge	Actual Cost
Fire Extinguishing Systems	Actual Cost
Money & Securities	\$10,000
Newly Acquired Buildings	
• Buildings	\$2,000,000
• Business Personal Property	\$1,000,000
Off Premises Power Failure	\$25,000
Ordinance or Law (Building Codes)	\$250,000
Outdoor Property (included: trees, shrubs, plants)	\$1,000 Per Any One/\$100,000 Max
Paved Surfaces	\$50,000
Pollutant Cleanup	\$100,000
Preservation of Property	\$250,000
Property In Transit	\$100,000
Rental Income	\$100,000
Temporary Storage Location	\$250,000
Transit	\$100,000
Valuable Papers & Records	\$250,000

## Boiler & Machinery

Description	Limit
Limit	\$16,066,297
Deductible	\$1,000 Water & Sewer / \$1,000 All Other Covered Equipment
Ammonia Contamination	\$250,000
Business Income	\$100,000
Data or Media	\$250,000
Defense	Actual Cost
Error in Description	\$500,000
Expediting Expense	\$250,000
Newly Acquired Locations	\$2,000,000
Ordinance or Law	\$250,000
Service Interruption	\$250,000
Spoilage	\$250,000
Power Generating Equipment	EXCLUDED

Other exclusions and policy limitations may apply. Please refer to the actual policies for specific terms, conditions, limitations and exclusions that will govern in the event of a loss.

# Crime

Company: Cincinnati Insurance Company

Policy Term: 10/1/2015 to 10/1/2016

Coverage	Limit
Employee Dishonesty	\$100,000
Forgery and Alteration	\$100,000
Theft, Disappearance & Destruction	
Inside	\$100,000
Outside	\$100,000
Computer Fraud	\$100,000
Deductible	\$ 500

Other exclusions and policy limitations may apply. Please refer to the actual policies for specific terms, conditions, limitations and exclusions that will govern in the event of a loss.

## Electronic Data Processing (EDP)

Description	Limit
Blanket Hardware & Software Limit	\$673,000
Extra Expense	\$20,000
Newly Acquired Locations	\$100,000
Cyber Liability	\$11,000,000
Computer Virus	\$25,000
Deductible	\$1,000

\*\*\*Note: Cyber Liability Breach Expense – Optional coverage available from \$50,000 occurrence/\$50,000 annual aggregate limit up to \$250,000/\$250,000 for an additional contribution.

Other exclusions and policy limitations may apply. Please refer to the actual policies for specific terms, conditions, limitations and exclusions that will govern in the event of a loss.

## Miscellaneous Property

Description	Limit
Miscellaneous Scheduled Property	\$955,155
Miscellaneous Unscheduled Property	\$1,055,948
Rented/Borrowed Equipment Limit	\$75,000
Rental Reimbursement	\$500 Per day/\$25,000 Per year
Newly Acquired Property	\$100,000
Deductible	\$1,000

Other exclusions and policy limitations may apply. Please refer to the actual policies for specific terms, conditions, limitations and exclusions that will govern in the event of a loss.

**Casualty Coverage**  
**Third Party Legal Liability (General Liability)**

Description	Limit
Each Occurrence	\$11,000,000
Aggregate	None
Deductible	Nil
Employee Benefits Liability	\$1,000,000
Employee Benefit Deductible	\$1,000
Injunctive Relief	\$50,000
Broad Legal Defense	\$5,000/\$5,000 aggregate
Premises Medical Expense	\$10,000
Premise Medical Expense Policy Limit	None
Legal Liability – Real & Personal Property	Included
Sewer Backup Pollution Liability	\$1,000,000/\$1,000,000 aggregate
Anti-Skid Material Pollution Coverage	Included
Chlorine Pollution (only if applicable)	Included
Underground Storage Tank Pollution	\$55,000/\$55,000 aggregate

Coverage Extensions	Limit
Explosion, Collapse & Underground Hazard	Included
Independent Contractor's Liability	Included
Personal/Advertising Liability	Included
Host Liquor Liability	Included
Employer's Liability – Stop Gap	Included
Employer's Liability – Stop Gap Aggregate	None
Fellow Employee Liability	Included
Special Events Liability	Included
Good Samaritan Coverage	Included
Non-Owner & Hired Auto Liability	Included
Cyber Liability	Included

## Auto Liability & Physical Damage

Description	Limit
Limit Each Occurrence	\$11,000,000
Deductible	Nil
Medical Payments	\$10,000
Uninsured/Underinsured Motorists	\$100,000
Aggregate Limit	None
Auto Physical Damage	\$1,000 Comp/\$1,000 Coll.
Impound Lot Limit	\$30,000 Per Car
Impound Lot Deductibles	\$500 Comp/\$500 Coll.
Rental Reimbursement	\$500 Per Day / \$25,000 Per Year
Rental Vehicle Agreement	\$2,500 Per expense
Vehicle Lease Gap	\$10,000

Other exclusions and policy limitations may apply. Please refer to the actual policies for specific terms, conditions, limitations and exclusions that will govern in the event of a loss.

## Law Enforcement Liability (Police Professional)

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Coverage Extensions	Limit
Limit Each Occurrence	\$11,000,000
Deductible	\$5,000
Aggregate Limit	None
Retroactive Date	None

Other exclusions and policy limitations may apply. Please refer to the actual policies for specific terms, conditions, limitations and exclusions that will govern in the event of a loss.

## Wrongful Acts Coverage (Public Officials)

Coverage Extensions	Limit
Limit Each Occurrence	\$11,000,000
Deductible	\$5,000
Aggregate Limit	None
Retroactive Date	07/17/2005

Coverage Extensions	Limit
Employment Practices Liability	Included
Zoning Liability	Included

Other exclusions and policy limitations may apply. Please refer to the actual policies for specific terms, conditions, limitations and exclusions that will govern in the event of a loss.

# Premium Summary

Coverage	Proposed Premium
General Liability	\$72,151
Auto Liability	INCLUDED
Law Enforcement Liability	INCLUDED
Public Officials Liability	INCLUDED
Auto Physical Damage	INCLUDED
Property/Boiler & Equipment	INCLUDED
Excess Liability	INCLUDED
Crime Coverage (Cincinnati Insurance Company)	\$ 2,917
<b>TOTAL</b>	<b>\$72,151</b>

#### Payment Terms:

- Annual Payment
- Premium due upon receipt of invoice
- 3 Year Rate guarantee, Subject to 60% Loss Ratio (PEP Quote Only)

#### Binding Requirements:

- Signed Intergovernmental Contract / Proxy Statement (PEP)
- Crime Coverage – Cincinnati Insurance – Subject to completed and signed application

**Note:** This is a coverage summary, not a legal contract. This summary is provided to assist in your understanding of your insurance program. Please refer to the actual policies for specific terms, conditions, limitations and exclusions that will govern in the event of a loss. Specimen copies of all policies are available for review prior to the binding of coverage.

In evaluating your exposure to loss, we have been dependent upon information provided by you. If there are other areas that need to be evaluated prior to binding of coverage, please bring these areas to our attention. Should any of your exposures change after coverage is bound, such as your beginning new operation, hiring employees in new states, buying additional property, etc., please let us know so proper coverage(s) can be discussed.

Higher limits may be available. Please contact us if you would like a quote for higher limits.

## Public Entities Pool of Ohio – Client References

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Mr. Toby Schroyer, Finance Director  
City of Sylvania  
6730 Monroe Street  
Sylvania, OH 43560  
(419) 885-8925

Mr. Sal Talarico, Finance Director  
City of Oberlin  
85 S. Main St.  
Oberlin, OH  
(440) 775-1531

Mr. Michael Evanson, Finance Director  
City of Campbell  
351 Tenney Avenue  
Campbell, OH 44440  
(330) 775-9863, x5

Ms. Sharon Cassler, Clerk of Council  
City of Cambridge  
1131 Steubenville Avenue  
Cambridge, OH 43725  
(740) 439-2640

Ms. Judy Eddy  
Village of Mingo Junction  
501 commercial Street  
Mingo Junction, OH 43938  
(740) 535-1263

Mr. Roy Johnson, Administrator  
Village of Carey  
127 N. Vance Street  
Carey, OH 43316  
(419) 396-7681

## USI Disclosures

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**INFORMATION CONCERNING OUR FEES:** As a licensed insurance producer, USI is authorized to confer with or advise our clients and prospective clients concerning substantive benefits, terms or conditions of insurance contracts, to sell insurance and to obtain insurance coverages for our clients. Our compensation for placement of insurance coverage, unless otherwise specifically negotiated and agreed to with our client, is customarily based on commission calculated as a percentage of the premium collected by the insurer and is paid to us by the insurer. We may also receive from insurers and insurance intermediaries (which may include USI affiliated companies) additional compensation (monetary and non-monetary) based in whole or in part on the insurance contract we sell, which is contingent on volume of business and/or profitability of insurance contracts we supply to them and/or other factors pursuant to agreements we may have with them relating to all or part of the business we place with those insurers or through those intermediaries. Some of these agreements with insurers and/or intermediaries include financial incentives for USI to grow its business or otherwise strengthen the distribution relationship with the insurer or intermediary. Such agreements may be in effect with one or more of the insurers with whom your insurance is placed, or with the insurance intermediary we use to place your insurance. You may obtain information about the nature and source of such compensation expected to be received by us, and, if applicable, compensation expected to be received on any alternative quotes pertinent to your placement upon your request.

# USI Privacy Notice

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## *Our Privacy Promise to You*

USI provides this notice to you, our customer, so that you will know what we will do with the personal information, personal financial and health information (collectively referred to as the "protected information") that we may receive from you directly or receive from your health care provider or receive from another source that you have authorized to send us your protected information. We at USI are concerned about your privacy and assure you that we will do what is required of us to safeguard your protected information.

## *What types of information will we be collecting?*

USI collects information from you required both for our business and pursuant to regulatory requirements. Without it, we cannot provide our products and services for you. We will be collected protected information about you from:

- Applications or other forms, such as name, address, Social Security number, assets and income, employment status and dependent information;
- Your transactions with us or your transactions with others, such as account activity, payment history, and products and services purchased;
- Consumer reporting agencies, such as credit relationships and credit history. These agencies may retain their reports and share them with others who use their services;
- Other individuals, businesses and agencies, such as medical and demographic information; and
- Visitors to our websites, such as information from on-line forms, site visitorship data and on-line information collection devices, commonly called "cookies."

## *What will we do with your protected information?*

The information USI gathers is shared within our company to help us maximize the services we can provide to our customers. We will only disclose your protected information as is necessary for us to provide the insurance products and services you expect from us. USI does not sell your protected information to third parties, nor does it sell or share customer lists.

We may also disclose all of the information described above to third parties with which we contract for services. In addition, we may disclose your protected information to medical care institutions or medical professionals, insurance regulatory authorities, law enforcement or other government authorities, or to affiliated or nonaffiliated third parties as is reasonably necessary to conduct our business or as otherwise permitted by law.

## *Our Security Procedures*

At USI, we have put in place the highest measures to ensure the security and confidentiality of customer information. We will handle the protected information we receive by restricting access to the protected information about you to those employees and agents of ours who need to know that information to provide you with our products or services or to otherwise conduct our business, including actuarial or research studies. Our computer database has multiple levels of security to protect against threats or hazards to the integrity of customer records, and to protect against unauthorized access to records that may harm or inconvenience our customers. We maintain physical, electronic, and procedural safeguards that comply with federal and state regulations to safeguard all of your protected information.

## *Our Legal Use of Information*

We retain the right to use ideas, concepts, know-how, or techniques contained in any nonpublic personal information you provide to us for our own purposes, including developing and marketing products and services.

## *Your Right to Review Your Records*

You have the right to review the protected information about you relating to any insurance or annuity product issued by us that we could reasonably locate and retrieve. You may also request that we correct, amend or delete any inaccurate information by writing to us at the above address.

City of Willoughby Hills Insurance Comparison

1. Real & Personal Property

Carrier

Building Limit of Coverage

Contents Limit of Coverage

Blanket Building & Contents

Inventory Covered Property

Perils Insured

Co-Insurance

Agreed Value

Replacement Cost

Deductible:

Earthquake

Flood

Flood/Earthquake Deductible

Coverage Extensions

Accounts Receivable

Animal Mortality

Arson Reward

Backup of Sewers/Drains and Surface Water

Builders Risk

Business Income with Extra Expense

Cemetery Structures

Crime Reward

Data Processing Equipment

Debris Removal

Ordinance & Law

A. Loss to undamaged Property

B. Demolition & Debris Removal

C. Increased Cost of Construction

Errors or Omissions

Fine Arts

Fire Department Service charge

Foundations

Glass

Grounds Maintenance Equipment

Lock Re-keying

Newly Acquired Buildings

Newly Acquired Personal Property

Off Premises Power Failure

Outdoor Property

Paved Surfaces

Personal Effects & Property of Others

Pollutant Clean Up

Property in Transit

Property Legal Liability

Property Off Premises

Underground Pipes, Flues & Drains

Valuable Papers

Common Deductible Provision

PEP	HCC
PEP	HCC
\$16,066,297	\$15,671,750
Included	Included
Yes	Yes
Per Schedule	Per Schedule
Special Form	Special Form
No Co-insurance	Yes, 100%
Yes	Yes
Yes	Yes
\$1,000	\$1,000
\$1,000,000	\$500,000
\$1,000,000	\$500,000
\$50,000	\$50,000
\$250,000	\$250,000
\$10,000	\$10,000
\$5,000	\$5,000
\$25,000	Included, no sublimit
\$2,000,000	\$500,000
\$250,000	\$100,000
Must schedule	\$10,000 limit
\$5,000	
\$250,000	
25% of Loss	25% of Loss
Building Limit	Building Limit
\$250,000	\$100,000
\$250,000	\$100,000
\$500,000	
\$25,000	\$25,000
Actual Cost	
Included, no sublimit	Included, no sublimit
Included, no sublimit	Included, no sublimit
\$50,000	\$50,000
\$2,500	\$2,500
\$2,000,000	\$2,000,000
\$1,000,000	\$1,000,000
\$25,000	\$25,000
\$100,000	\$100,000
\$50,000	\$50,000
\$2,500/\$50,000	
\$100,000	\$100,000
\$100,000	\$100,000
Included	\$1,000,000
\$100,000	\$10,000
\$1,000,000	\$1,000,000
\$250,000	\$250,000
Yes	

2. Boiler & Machinery Equipment Breakdown

Carrier

Boiler & Machinery Limits  
 Ammonia Contamination  
 CFC Refrigerants  
 Computer Breakdown  
 Consequential Damage  
 Data or Media  
 Earnings  
 Errors in Description  
 Expediting Expense Limit  
 Extra Expense Limit  
 Hazardous Substance  
 Newly Acquired Locations  
 Ordinance or Law  
 Utility/Service Interruption  
 Water Damage  
 Deductible

PEP	HCC
\$16,066,297	\$15,671,750
\$100,000	\$250,000
Included	Included
Included, no sublimit	Included, no sublimit
\$250,000	\$250,000
\$25,000	
\$100,000	\$100,000
\$500,000	
\$250,000	\$500,000
\$100,000	
\$100,000	\$250,000
\$2,000,000	
\$250,000	
\$100,000	\$250,000
\$100,000	\$250,000
\$1,000	\$1,000

3. EDP Equipment

Carrier

Coverage Limit  
 Hardware  
 Media  
 Extra Expense  
 Blanket  
 Perils Insured  
 Cyber Liability  
 Cyber Liability Breach Expense  
 Computer Virus  
 Each Data Incident  
 Inventory Covered Property  
 Deductible  
 Replacement Cost Valuation

PEP	HCC
\$673,000	\$673,000
\$30,000	\$20,000
\$30,000	\$20,000
Yes	Yes
Special	Special
\$11,000,000	
Options Available	
\$25,000	
\$100,000	
Per Schedule	Per Schedule
\$1,000	\$1,000
RC	RC

4. Inland Marine

Carrier

Miscellaneous Scheduled Equipment  
 Miscellaneous Equipment  
 Rental/Borrowed Equipment  
 Newly Acquired Property  
 Expediting Expense  
 Blanket  
 Perils Insured  
 Deductible  
 Replacement Cost Valuation

PEP	HCC
\$1,055,948	\$1,055,948
\$739,000	\$739,000
\$75,000	\$75,000
\$50,000	
\$250,000	
Yes	Yes
Special	Special
\$1,000	\$1,000
RC	RC

City of Willoughby Hills Insurance Comparison

5. Crime

Carrier

Public Employee Dishonesty  
 Forgery and Alteration  
 Theft, Disappearance & Destruction - Inside  
 Theft, Disappearance & Destruction - Outside  
 Computer Fraud  
 Funds Transfer Fraud  
 Deductible  
 Deductible - Public Employee Dishonesty & Forgery

Cincinnati Insurance	HCC
\$100,000	\$100,000
\$100,000	\$100,000
\$100,000	\$100,000
\$100,000	\$100,000
\$100,000	\$100,000
\$100,000	\$100,000
\$500	\$500
\$500	\$500
Included	

Terrorism Coverage

ALL LIABILITY LIMITS INCLUDE UMBRELLA LIMITS FOR COMPARISON PURPOSES

6. General Liability

Carrier

Limit Per Occurrence  
 Personal Injury and Advertising Injury  
 General Aggregate  
 Governmental Medical Liability EMT / Medics  
 Firefighter Professional Liability  
 Cemetery Professional Liability  
 General Liability - Deductible

PEP	HCC
\$11,000,000	\$11,000,000
\$11,000,000	\$11,000,000
No Aggregate	\$13,000,000
\$11,000,000	\$11,000,000
\$11,000,000	\$11,000,000
\$11,000,000	\$11,000,000
\$0	\$0
\$10,000	\$10,000
No Aggregate	
\$11,000,000	\$50,000
\$100,000	\$100,000
\$1,000,000	Included
\$1,000,000	\$5,000,000
\$1,000	\$1,000
\$11,000,000	\$11,000,000
No Aggregate	\$13,000,000
Yes	Yes
Yes	Yes
No	No
Yes	Yes
\$0	\$0

Medical Payments

Medical Payments - Aggregate limit

Fire Damage Legal Liability

Property in Care, Custody or Control

Sewer Backup Liability

Employee Benefits Liability

Deductible - Employee Benefits Liability

Employers Liability Ohio Stop Gap

Employers Liability Ohio Stop Gap - Aggregate

Fellow Employee Exclusion Deleted

Pollution excluded except for coverage for:

Pesticide Herbicide

Water Treatment Chemical application

Swimming Pool Chemical application

Street & Road Chemical application

Fire & Hazmat Chemical application

Contractual Liability

XCU & Demolition Coverages Apply

Occurrence Form

Auditable Policy

Employees & Volunteers as Insured

Retention



10. Automobile Liability & Physical Damage

Carrier

Limit of Liability per Accident

Uninsured / Underinsured Motorist Coverage

Comp Deductible

Collision Deductible

Valuation

Non Emergency Vehicles

Emergency Vehicles

Non Owned & Hired Car Liability

Hired Car Physical Damage

Rental Reimbursement

Medical Payments

Freezing - Emergency Vehicles

Freezing - Others

Recertification Cost

Fellow Employee Exclusion - deleted

Commandeered Autos

Common Deductible Provision

Accidental Inflation of Airbags

Volunteers as Additional Insured

Lease Gap Coverage

Any Automobile Coverage

Audio Visual / Electronic Equipment

Impounded Car Coverage

Fleet Automatic Coverage

11. Umbrella Liability

Carrier

Limit Per Occurrence (Optional Coverage)

Aggregate Limit

Excess over Underlying Coverage

Employment Practice Liability

Employers Liability Ohio Stop Gap

EMT / Paramedic Liability

Firefighters Professional Liability

Cemetery Professional Liability

Pesticide & Herbicide Application

Water Treatment Chemical Application

Swimming Pool Chemical Application

Street & Road Chemical Application

Fire & Hazmat Chemical Application

Auditable Policy

Self Insured Retention

Terrorism

	PEP	HCC
	\$11,000,000	\$11,000,000
	\$100,000	Excluded
	\$1,000	\$1,000
	\$1,000	\$1,000
	ACV	ACV
	Replacement Cost	Replacement Cost
	\$11,000,000	\$11,000,000
	\$25,000	
	\$500 Per Day/\$25,000 Per Year	Yes
	\$5,000	\$5,000
	Yes	Yes
	Yes	Yes
	Actual Cost	Yes
	Does Not Exist	Yes
	Yes	
	\$10,000	Yes
	Yes	
	Needs to be scheduled	No
	\$30,000	\$30,000
	Yes	
	PEP	HCC
	Included in Underlying Limits	\$10,000,000
	No Aggregate	\$10,000,000
	Included in Underlying Limits	Included in Underlying Limits
	Included in Underlying Limits	Included in Underlying Limits
	Included in Underlying Limits	Included in Underlying Limits
	Included in Underlying Limits	Included in Underlying Limits
	Included in Underlying Limits	Included in Underlying Limits
	Included in Underlying Limits	Included in Underlying Limits
	Included in Underlying Limits	Included in Underlying Limits
	Included in Underlying Limits	Included in Underlying Limits
	Included in Underlying Limits	Included in Underlying Limits
	Included in Underlying Limits	Included in Underlying Limits
	No	No
	None	\$10,000
	Included	

**INTERGOVERNMENTAL CONTRACT  
FOR THE ADMINISTRATION OF THE  
PUBLIC ENTITIES POOL OF OHIO**

Whereas, \_\_\_\_\_ is an existing or new Member of the Public Entities Pool of Ohio;  
and

Whereas, the Revised Code of the State of Ohio authorizes political subdivisions to contract for the purpose of entering into a joint self-insurance pool; and

Whereas, certain Ohio political subdivisions have entered into a Contract and formed a joint self-insurance pool known as the Public Entities Pool of Ohio; and

Whereas, the Board desires on the twentieth anniversary of the Public Entities Pool of Ohio to update and modernize the Intergovernmental Contract by making several improvements and changes to the Contract; and

Now, therefore, all new and existing Members agree to abide by the terms and conditions of this Contract; and

In consideration of the mutual covenants of all signatories to the Intergovernmental Contract of the Public Entities Pool of Ohio, it is agreed as follows:

**ARTICLE I – NAME**

The joint self-insurance pool created by this Contract shall be known as the Public Entities Pool of Ohio and may be referred to as the "Pool."

The signatories hereto together with future signatories establish a joint self-insurance pool for the purpose of effectuating this Contract. The Pool shall have a perpetual duration and shall continue until terminated pursuant to the terms and conditions of this Contract.

**ARTICLE II – PURPOSE**

The purposes of this Contract are to enter into an Intergovernmental Contract to form a joint self-insurance pool, provide for joint and cooperative pooling of financial and administrative resources, provide risk management services and risk sharing facilities to the Members, and defend and protect, in accordance with this Contract, any Member of the Pool against liability as outlined in the Appendix.

The Pool shall not be considered an insurance company. The Pool's activities and operations do not constitute doing an insurance business.

This Contract shall constitute a contract among those Governmental Entities that are currently members or that at any time enter into this Contract and become Members of the Pool.

The liability of each Member is limited to the amount of financial contributions required to be made to the Pool pursuant to this Contract.

This Contract shall not inure to the benefit of third parties nor does any party hereto waive such sovereign or governmental immunity as may be available to it individually. Furthermore, nothing contained herein shall be construed so as to create responsibility in one Member for the liabilities of any other Members.

In no event shall a Member be responsible, jointly or severally, for the liabilities of any other Member.

ARTICLE III – DEFINITIONS

In the interpretation of this Contract, the following definitions shall apply unless the context requires another interpretation:

- 1. Administrator --Administrator shall mean American Risk Pooling Consultants, Inc., and its successors and assigns, the entity designated to supervise the administration of the Pool and to perform such additional duties as shall be delegated by the Board, in accordance with an Administrative Agreement incorporated herein by reference, or such other entity as may be designated from time to time by the Board.
- 2. Annual Budgetary Contribution --Annual Budgetary Contribution shall mean those amounts necessary to fund the expenses of the Pool, including, but not limited to, administrative expenses, reinsurance expenses, or other fundings required to satisfy the requirements of any regulatory authority having jurisdiction over the Pool, and those other obligations of Members required by this Contract.
- 3. Basis Rate --Basis Rate shall mean that amount annually promulgated by the Administrator deemed necessary to provide the Scope of Coverage afforded to a Member for the period of one year, with due consideration to the Member's individual characteristics.
- 4. Board --Board shall mean the Board of Directors of the Public Entities Pool of Ohio.
- 5. Budgetary Fund --Budgetary Fund shall mean those amounts paid by Members pursuant to Article X.
- 6. Contract --Contract shall mean this Intergovernmental Contract, as amended, and all of its counterparts which will be executed by Members from time to time.
- 7. Cumulative Reserve Fund --Cumulative Reserve Fund shall mean those amounts paid by Members pursuant to Articles X and XI.
- 8. Cumulative Reserve Fund Contribution --Cumulative Reserve Fund Contribution shall mean those amounts paid by Members to fund the Cumulative Reserve Fund.
- 9. Governmental Entity --Governmental Entity shall mean a political subdivision in the State of Ohio or an independent or autonomous board, commission, or other local governmental entity authorized by law.
- 10. Member --Member shall mean a Governmental Entity participating in the Public Entities Pool of Ohio by executing this Contract.
- 11. Members' Contribution --Members' Contribution shall mean those amounts paid by Members to the Budgetary Fund and the Cumulative Reserve Fund.
- 12. Permanent Board Position --Permanent Board Position shall mean a position on the Board of Directors established by the Board pursuant to Article V.
- 13. Pool --Pool shall mean the Public Entities Pool of Ohio.
- 14. Revised Code --Revised Code shall mean the compiled statutes of the State of Ohio.
- 15. Risk Sharing Certificate --Risk Sharing Certificate shall mean that document provided a Member evidencing the scope, nature, and limits of participation in the Pool.
- 16. Scope of Coverage --Scope of Coverage shall mean the coverage, limits, and deductibles as outlined in the Appendix and subsequent amendments thereto.

## ARTICLE IV - MEMBERSHIP

Membership of the Pool shall consist of Governmental Entities which have entered into this Contract or a counterpart, by and through a representative duly authorized to execute this Contract. Members agree to the admission of future Members and acknowledge that they shall have no right to object to the addition of new Members provided the new Members are admitted in accordance with the terms hereof. This Contract shall continue in force for Members unless the provisions for withdrawal or termination are applied.

Each Member shall appoint a representative and an alternate to represent the Member with the Pool. That representative shall act as liaison between the Member and the Pool. The representative shall communicate risk reduction and loss control information, and any other information or instructions concerning the obligations of the Member imposed by this Contract and the rules and regulations established hereunder. Representatives or alternates shall vote on behalf of Members.

The obligations of Members of the Pool shall be the following:

1. To report promptly to the Pool any incident which could result in a claim being made by or against the Member within the Scope of Coverage;
2. To cooperate with the Board and/or the Administrator in establishing loss control procedures required by the Board and/or the Administrator;
3. To provide to the Pool such information as needed for rating purposes, including, but not limited to, an audit prepared by the Member's staff, a certified public accountant, or by the Auditor of the State of Ohio of all revenues and expenditures by the Member for any Member's fiscal year for which figures are requested by the Administrator and/or the Pool;
4. To provide access to all applicable records, of any type, and to all properties of the Member upon request of the Administrator and/or Pool;
5. To cooperate with the Pool's attorneys, claims adjustors, the Administrator and any employee, officer, or subcontractor relating to the work of the Pool;
6. To allow attorneys and others employed by the Pool to represent the Member in investigation, settlement, and all levels of litigation arising out of any claim made against the Member within the Scope of Coverage furnished by the Pool; and
7. To pay when due all annual contributions or other contributions, due or required, to the Budgetary Fund or Cumulative Reserve Fund pursuant to this Contract.

## ARTICLE V - BOARD OF DIRECTORS

1. **Composition of the Board of Directors.** The Board of Directors shall consist of no fewer than seven (7) members. The number of Board positions shall be determined from time to time by majority vote of the Board of Directors. The number of Permanent Board Positions shall always be less than the number of elected Board positions.

2. **Qualifications of Members of the Board.** Members of the Board shall be either:

- a. Elected or appointed officials of Pool Members, or
- b. Representatives of Pool Members.

3. **Eligibility and Vacancies.** Should the number of members of the Board become less than the number authorized by the Board, or required by this Contract, due to disqualification, death, incompetence, resignation, or other cause, the remaining members of the Board may appoint a person or persons to fill the remaining term(s) of such vacancy or vacancies. Any member of the Board may resign by sending notice of resignation to the Administrator or to the Chair.

4. **Term of Members of the Board.** Board members shall be elected to three (3) year terms in accordance with an Election Policy established by the Board, and as amended from time to time. Such terms shall be organized so that approximately one-third (1/3) of the Board members shall be elected each year. Board members shall serve until their successors have been elected. Members and Directors may nominate candidates according to the Election

Policy. Each Member shall have one (1) vote. There shall be no prohibition on election to successive terms. Election shall be by a majority vote of those Members voting. Each Member shall be entitled to one vote for each open position. The Association of Ohio Health Commissioners, Inc. shall be entitled to designate an individual to fill a Permanent Board to represent health districts in Ohio. In the event such a Board member is not designated, the Board shall designate a representative of health districts to occupy that position. Additional Permanent Board Positions may be established by a majority vote of the Board.

5. **Meetings of the Board.** Meetings of the Board shall be held at least annually at such time as it shall prescribe. Any item of Pool business may be considered at such meetings. Special meetings may be called by the Administrator or the Chair, or by a majority of the Board and may be held in person or by electronic, telephonic, or executed written document methods.

6. **Officers.** By majority vote, the Board at its first regular meeting of each fiscal year, shall select from the members of the Board a Chair, Vice-Chair, Secretary, and Treasurer. There shall be no prohibition on election to successive terms.

7. **Executive Committee.** The officers shall constitute the Executive Committee. The Executive Committee shall act on urgent matters between Board meetings. It shall report any action taken to the Board at its next meeting for ratification.

8. **Board Compensation.** The members of the Board shall be entitled to reimbursement of actual expenses incurred in the pursuit of Pool business and such other reasonable and lawful compensation as may be determined from time to time by a majority vote of the Board.

9. **Clerk.** The Administrator shall serve as Clerk to the Board and all Board Committees and shall attend all Board and Committee Meetings.

#### **ARTICLE VI - POWERS & DUTIES OF THE BOARD OF DIRECTORS**

The Board shall administer this Contract and manage the Budgetary and Cumulative Reserve Funds. The Board shall be empowered to undertake or delegate to others to perform and carry out, on behalf of the undersigned, each and every act necessary, or desirable, for carrying out the purposes of this Contract and the work of the Pool, including, but not limited to, the following:

1. Administering the Pool, receiving Member Contributions to the Pool, and settling and paying claims and losses on behalf of Members;
2. Making and entering into subcontracts to conduct and operate the Pool, including, but not limited to, the execution of an Administrative Agreement;
3. Employing agents and employees on behalf of the undersigned;
4. Incurring liabilities and charges against the common funds of the Pool, but no charge, liability, or obligation so incurred shall be the charge, liability, or obligation of any individual party to this Contract;
5. Engaging in litigation for the Pool or Members;
6. Acquiring and disposing of personal property;
7. Advising Members on loss control guidelines and procedures, and providing them with risk management services, loss control, and risk reduction information;
8. Purchasing reinsurance and excess insurance and entering into such excess risk sharing pools as may be available and deemed desirable for the protection of the Members and the Pool itself;
9. Investing Pool funds in securities and investments in a prudent and lawful manner;
10. Promulgating procedures and regulations for the general administration of this Contract;
11. Taking such action as is necessary to terminate the participation of any Member that fails to comply with the requirements of the Board concerning contractual obligations; and

12. Providing surety and fidelity bonds for Members of the Board and all other persons charged with the custody or investment of Pool monies.

#### **ARTICLE VII - ADMINISTRATOR**

The Board may delegate to the Administrator such of its powers and duties as the Board shall deem advisable. All signatories hereto ratify and endorse the Administrative Agreement between the Pool and the Administrator. The undersigned further acknowledges that in the event the Administrative Agreement has been executed prior to its execution of this Intergovernmental Contract, the undersigned ratifies and adopts the Administrative Agreement.

The Board shall receive, at least annually, a report from the Administrator. The nature and details of the report shall be established by the Board and shall be in addition to any reports that the Administrator shall be required to file with any regulatory authority having jurisdiction over the Pool.

#### **ARTICLE VIII - LIABILITY OF THE BOARD OF DIRECTORS AND ADMINISTRATOR**

The Board of Directors and the Administrator, its directors, officers, and employees shall not be liable for any act of negligence, mistake of judgment or any other action made, taken or omitted by them in good faith, including any loss incurred through investment of funds or failure to invest the same, unless the act or omission is the result of a willful act done in bad faith.

No covenant or agreement contained herein shall be deemed to be the covenant or agreement of any individual Member of the Board or the Administrator nor any of their employees, and no such persons shall be subject to any personal liability or accountability by reason of the acceptance of a position or the undertaking of the performance of any of the responsibilities, obligations, or duties contemplated in the carrying out of this Contract.

#### **ARTICLE IX - INDEMNIFICATION**

The Pool's funds may be used to indemnify, defend, and hold harmless any member of the Board, the Administrator, its directors, officers, employees, and subcontractors ("indemnified parties") for any act or omission taken or omitted in good faith by the indemnified parties relating to or arising out of the conduct of Pool business. The indemnity, defense and hold harmless provisions of this Contract shall be joint and several with all signatories to this Contract; provided, however, this obligation shall be considered an expense of the Pool and in no event shall any individual signatory be liable for more than its pro rata contractual obligation herein.

The Administrator may purchase insurance providing coverage for any indemnified party.

#### **ARTICLE X - ESTABLISHMENT OF BUDGETARY FUND**

1. The Board shall establish a Budgetary Fund which shall consist of Annual Budgetary Contributions in amounts deemed sufficient to produce annually a sum of money necessary to fund the administrative expenses and reinsurance expenses of the Pool, to pay current year claims and claims expenses, and to fund any deficiencies in the Cumulative Reserve Fund, including any deficiencies resulting from the Pool's obligation to satisfy the requirements of any regulatory authority.

2. Thirty (30) days prior to the Pool's fiscal year end, or at such other time as directed by the Board, the Administrator shall prepare an estimate of the expenses of the Pool for the succeeding fiscal year. Such estimate shall then be allocated, after approval by the Board of Directors, on a pro rata basis to the Members as their Annual Budgetary Contribution which shall be due on the Member's Casualty Risk Sharing Certificate anniversary date. Each Member's pro rata share of the Annual Budgetary Contribution shall be the proportion that said Member's Basis Rate bears to the total of all Members' Basis Rates.

3. In the event that the sum of the administrative expenses and reinsurance expenses together with the current year claims payments and claims expense payments for any Pool fiscal year are less than the funds available in the Budgetary Fund, such surplus in the Budgetary Fund shall be applied toward the Annual Budgetary Contributions of the Members for subsequent years.

4. In the event that the sum of the administrative expenses, reinsurance expenses, and current year claims payments and claims expense payments for any Pool fiscal year exceed funds available in the Budgetary Fund, such deficiency shall be withdrawn from the Cumulative Reserve Fund. The deficiency thus created in the Cumulative Reserve Fund shall be replenished by adjusting the Annual Budgetary Contributions of the Members for subsequent years in an amount equal to such deficiency.

**ARTICLE XI – ESTABLISHMENT OF CUMULATIVE RESERVE FUND**

In addition to the Annual Budgetary Contributions made to the Budgetary Fund pursuant to Article X, Members shall make annual contributions for the establishment of a Cumulative Reserve Fund. Such contributions shall be based on each Member's Basis Rate in accordance with the following schedule or a future schedule adopted by the Board:

Initial Contribution	100% of Basis Rate
First Anniversary	75% of Basis Rate
Second Anniversary	50% of Basis Rate
Third Anniversary	30% of Basis Rate
Fourth Anniversary	25% of Basis Rate
Fifth Anniversary	20% of Basis Rate

Thereafter, no further contribution shall be made to the Cumulative Reserve Fund unless the Board shall require further annual contributions for the purpose of maintaining the Cumulative Reserve Fund at a level equal to 200% and not more than 300% of the total current Basis Rates of all Members or to comply with the requirements of any applicable regulatory authority having jurisdiction over the Pool. The Board may, from time to time, authorize the distribution of a portion of the Cumulative Reserve Fund to fully vested Members.

**ARTICLE XII – MEMBERS' WITHDRAWAL, CANCELLATION, OR TERMINATION**

1. Members agree to continue membership for a period of not less than one (1) full year. At the conclusion of such period, or on the anniversary thereof, a Member who has given sixty (60) days prior written notice to the Pool may withdraw. Such withdrawal notice shall be valid for a period of one hundred twenty (120) days. Within one hundred twenty (120) days following withdrawal, the Pool will refund to the withdrawing Member that percentage of those Cumulative Reserve Fund contributions made to the Pool by said withdrawing Member according to the following schedule:

End of Member's First Full Year	50%
End of Member's Second Full Year	60%
End of Member's Third Full Year	70%
End of Member's Fourth Full Year	80%
End of Member's Fifth Full Year	90%
End of Member's Sixth Full Year and thereafter	100%

The Pool shall deduct from such refund the Annual Budgetary Contribution which the withdrawing Member would have made for the one (1) year period following withdrawal together with the withdrawing Member's proportionate share (determined in the manner set forth in Article X above) of any deficiency in the Cumulative Reserve Fund created pursuant to paragraph 4 of Article X.

Effective 12:01 a.m. on the date of withdrawal, payments for all claims and claims expenses shall thereafter become the sole responsibility of the withdrawing Member without regard to whether a claim occurred or was reported prior to the withdrawal of the Member's participation in the Pool.

At the request of the withdrawing Member, the Pool will continue to service all claims which have been reported to the Pool during the withdrawing Member's period of participation so long as the withdrawing Member shall promptly reimburse the Pool for all claims expenses incurred. Payment of all claims so serviced by the Pool for a withdrawing Member shall be the sole responsibility of the withdrawing Member, and the Pool shall incur no liability for payment of claims by virtue of servicing claims under the terms of this paragraph.

2. The Pool may, by a two-thirds (2/3) majority vote of the Board, and sixty (60) days prior written notice to the Member, cancel a Member's participation in the Pool and terminate its Intergovernmental Contract effective at the end of any Risk Sharing Certificate year. Thereafter, it shall be the responsibility of the Pool to defend, settle, and pay claims within the scope and limits set forth in the cancelled Member's Risk Sharing Certificate in effect on the date of

the occurrence out of which such claim arose. This provision shall apply solely to claims for occurrences during the cancelled Member's participation, as evidenced by the Member's Risk Sharing Certificate. The cancelled Member shall have the right, prior to the actual date of cancellation, to withdraw from the Pool by giving notice of such withdrawal. Electing to so withdraw, the Member shall be subject to the provisions of paragraph one (1) of this Article. Failing to elect to give notice of withdrawal, the cancelled Member forfeits all rights to a refund of those Cumulative Reserve Fund contributions made to the Pool by said cancelled Member.

3. Any Member failing to make payments when due shall be terminated from the Pool effective on the date the payment was due and upon that effective date of termination, all coverage and benefits hereunder shall cease. All claims and claims expenses thereafter shall become the sole responsibility of the terminated Member without regard to whether a claim occurred or was reported prior to the termination of the Member's participation in the Pool. At the request of the terminated Member, the Pool will continue to service all claims which have been reported to the Pool during the terminated Member's period of participation so long as the terminated Member shall promptly reimburse the Pool for all claims expenses incurred. Payment of all claims so serviced by the Pool for a terminated Member shall be the sole responsibility of the terminated Member and the Pool shall incur no liability for payment of claims by virtue of servicing claims under the terms of this paragraph. The terminated Member shall also forfeit all rights to any return of contributions including its vested interest in the Cumulative Reserve Fund. The Pool shall apply any or all of the terminated Member's forfeited funds towards said Member's Annual Budgetary Contribution due for the one (1) year period following termination. If the Member shall subsequently submit its payment, the Administrator may, in its discretion, reinstate such membership. All such terminations and reinstatements shall be reported to the Board.

#### **ARTICLE XIII - SCOPE OF RISK SHARING PROTECTION**

1. The Pool provides risk sharing protection to each Member and will make or secure payment on behalf of each Member under criteria and procedures to be established for the payment of claims as provided in the Member's Risk Sharing Certificate. A Member may, with approval of the Administrator, add additional parties to the Risk Sharing Certificate.

2. The Pool may obtain excess insurance or reinsurance, or join in excess risk sharing pools.

3. In the event that a claim or series of claims exceeds the amount of risk sharing protection provided by the Member's Risk Sharing Certificate, or in the event that a claim or series of claims should exhaust the Budgetary Fund, the Cumulative Reserve Fund, and any reinsurance, then payment of said claim or series of claims shall be the sole and separate obligation of the individual Member or Members against whom the claim or series of claims were made.

4. A Member may purchase, in its sole discretion, insurance coverage in addition to those coverages provided by the Pool.

5. The Board may make changes in the Scope of Coverage, the amount of risk sharing protection provided, or risk sharing retention by the Pool, upon consideration of the needs and requirements of Members, loss experience, or the kind and amounts of reinsurance or other excess coverage available. When the Board takes such action, notice shall be provided to all Members on the next anniversary of their participation in the Pool by means of an updated Appendix reflecting the changes made.

#### **ARTICLE XIV - TERMINATION**

The Pool shall terminate its existence at such time as two-thirds (2/3) of the Members vote for such termination. After a vote to terminate, the Board shall commence the orderly liquidation of the Pool's business and shall complete the same as promptly as possible. During such period of liquidation, the Pool shall continue to pay claims and losses incurred within the Scope of Coverage and pursuant to the Risk Sharing Certificate until all funds of the Pool are exhausted. After payment of all claims and losses, any remaining funds held by the Pool shall be paid to all those participants who were Members of the Pool at the time of the vote of termination, on a pro rata basis approved by the Board.

No Member shall be responsible for any claim, claims, judgment, or judgments against any other Member or Members except to the extent of the assets of the Cumulative Reserve Fund and the Budgetary Fund. However, if upon termination of the Pool, the remaining assets of the Pool are insufficient to satisfy indebtedness of the Pool (excluding claims or judgments against the Members), such deficiency shall be made up by the Members of the Pool by a fair and reasonable method established by the Board.

## ARTICLE XV - MISCELLANEOUS PROVISIONS

1. The provisions of this Contract shall be interpreted pursuant to the Law of the State of Ohio.
2. The Courts of the State of Ohio shall have jurisdiction over any dispute arising under this Contract. The terms of this Contract may be enforced in a court of law in the State of Ohio either by the Pool or by any Member.
3. The consideration for the obligations imposed upon Members pursuant to and under this Contract shall be the mutual promises and agreements of all Members who now execute or who hereafter execute this Contract.
4. This Contract may be executed in duplicate originals or counterparts now or at any time in the future.
5. No waiver of any breach of this Contract or any provision herein contained shall be deemed a waiver of any preceding or succeeding breach thereof or of any of the other provisions herein contained. No extension of time for performance of any obligation or act shall be deemed an extension of time for performance of any other obligations or acts.
6. This Contract shall be binding upon and shall inure to the benefit of all Members who shall have executed this Contract and complied with the financial requirements hereunder, provided that the Members shall have been duly approved in accordance with the terms and provisions of this Contract.
7. The provisions of this Contract shall be deemed severable and if any provision or part thereof is held to be unenforceable, void, or invalid under applicable law, such provision or part may be changed to the extent reasonably necessary to make the provision or part, as so changed, enforceable, valid, or binding. If any provision of this Contract is held to be unenforceable, void, or invalid in its entirety, the remaining provisions of this Contract shall not in any way be affected or impaired, but shall remain binding in accordance with their terms, and this Contract shall be so interpreted.
8. This Contract, the Appendix, and the Risk Sharing Certificate contain the complete agreement between the parties, and no representations or oral statements made or heretofore given shall constitute a part of this Contract. In the event that any provision of this Contract is in conflict with or is incompatible with the Appendix or attachments hereto or the Risk Sharing Certificate issued hereunder, the terms and conditions of this Contract shall prevail and take precedence.
9. This Contract may be altered or amended only by amendments duly adopted in accordance with the terms and conditions of this Contract; provided, however, that the Risk Sharing Certificate may be amended from time to time to reflect the exposures of each Member.
10. The caption headings used in this Contract are used merely for identification purposes and shall not be deemed a part of this Contract.
11. Whenever in this Contract, words, including pronouns, are used in the singular or plural, masculine or feminine, they may be read and construed in the plural or singular, or feminine or masculine, respectively, wherever they so apply.
12. This Contract may be amended by the Board with the approval of two-thirds (2/3) of the Members of the Board; all Members agree to accept, as a condition of their membership in the Pool, those amendments adopted from time to time by the Board. Notice of any amendments shall be provided to each Member no later than the next annual anniversary date of its membership in the Pool.
13. The Board may, with the approval of two-thirds (2/3) of the Members of the Board, elect to reform or reconstitute the Pool to a stock, mutual, or reciprocal insurance company operating as a captive, Risk Retention Group, or other risk sharing entity.
14. The Pool shall maintain a fiscal year ending December 31 of each year.
15. The Pool shall, in accordance with the Revised Code of the State of Ohio, be considered a separate entity for the public purpose of enabling the Members of the Pool to obtain insurance or to provide for the joint administration of the funds of the Pool.

**ARTICLE XVI - AGENT AND OFFICE**

The agent of the Pool for service of notice shall be the Public Entities Pool of Ohio, attention General Counsel. The office of the Pool shall be 29200 Northwestern Highway, Suite 300, Southfield, Michigan, 48034.

**ARTICLE XVII - ADMINISTRATOR**

Wherever the term Administrator is used in this Contract, that term shall refer to American Risk Pooling Consultants, Inc., its successors and assigns, or such other entity as may be designated from time to time by the Board. Wherever the term Administration Agreement is used in this Contract, that term shall refer to the Administration Agreement which the Board is authorized to enter into with Administrator, which Administration Agreement is incorporated herein by reference. By execution of this Intergovernmental Contract, the undersigned hereby ratifies, adopts, and approves the Administrator and the Administration Agreement and authorizes the Administrator to perform its duties and exercise its power hereunder.

**ARTICLE XVIII - NOTICE**

All notices required to be given under this Contract shall be in writing and shall be sent certified mail return receipt requested with postage prepaid or as otherwise provided herein. Notices by a Member to the Pool shall be sent to the address in Article XVI to the attention of the Administrator. Notices to a Member shall be sent to the representative of the Member at the Member's last known address.

In the event that any party to this Contract desires to change its address, notice of change of address shall be sent to the other party in accordance with the terms and provisions of this Article.

**ARTICLE XIX - EXECUTION**

1. **New Members - Presentation at Meeting of Political Subdivision.** The undersigned, by executing this Contract on behalf of the undersigned political subdivision, represents that this Contract (and the disclosure statement appended hereto) has been presented at a meeting of the political subdivision not less than one week prior to the meeting at which the undersigned political subdivision authorized the execution of this Contract. Attached hereto and incorporated herein by reference is the public disclosure statement.

2. **Authority to Execute.** The individual executing this Contract on behalf of a new or existing Member represents and certifies that he or she has the requisite authority and has complied with all rules, regulations, and laws required by the State or political subdivision in order to execute this Contract.

The parties acknowledge and agree that facsimile signatures and the signature of the Administrator on behalf of the Public Entities Pool of Ohio shall be legal and binding.

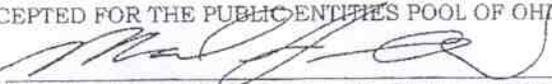
In witness whereof, this Contract was executed on the \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, by the undersigned duly authorized representative of the Governmental Entity indicated below.

GOVERNMENTAL ENTITY: \_\_\_\_\_

By: \_\_\_\_\_

TITLE: \_\_\_\_\_

ACCEPTED FOR THE PUBLIC ENTITIES POOL OF OHIO

By:  \_\_\_\_\_  
ADMINISTRATOR ON BEHALF OF ALL OTHER CURRENT  
AND FUTURE SIGNATORIES

**PUBLIC ENTITIES POOL OF OHIO  
APPENDIX**

**Scope of Coverage**

PUBLIC ENTITIES POOL OF OHIO provides the following:

1. Coverage Document

a. Coverages offered by the Pool may include:

General Liability  
Automobile Liability  
Automobile Physical Damage  
Public Officials Liability  
Property and Inland Marine  
Police Professional Liability

b. **THE COVERAGES LISTED ABOVE ARE INTENDED TO BROADLY OUTLINE THE PROGRAM PROVIDED BY THE POOL. A SEPARATE COVERAGE DOCUMENT, THE RISK SHARING CERTIFICATE, ITEMIZING ALL COVERAGE INCLUSIONS, EXCLUSIONS AND CONDITIONS WILL BE ISSUED TO EACH POOL MEMBER AND SHALL, IN CONJUNCTION WITH THE INTERGOVERNMENTAL CONTRACT AS AMENDED FROM TIME TO TIME, CONTROL THE POOL MEMBER'S SCOPE AND TERMS OF COVERAGE.**

2. Limits of Coverage

The Pool offers limits of casualty coverage up to \$3,000,000 per line of coverage. Additional limits may be offered subject to availability of reinsurance.

3. Pool Retention

The Pool may retain up to \$500,000 of any one claim or loss per line of coverage.

4. Deductibles

Deductibles may be applied as appropriate to the individual risk, subject to the approval of the Administrator.

**NOTICE: CONFIRMATION OF THE SCOPE, TERMS AND CONDITIONS OF THE COVERAGE OF ANY MEMBER OF THE POOL CAN ONLY BE MADE BY A CAREFUL EXAMINATION OF THAT MEMBER'S RISK SHARING CERTIFICATE.**

## PROPERTY COVERAGE AMENDMENT

This Amendment is made to the Intergovernmental Contract for the Administration of the Public Entities Pool of Ohio (Contract).

Whereas, the Contract established a joint self-insurance pool known as the Public Entities Pool of Ohio (Pool); and

Whereas, the Pool may provide Property, Vehicle Physical Damage, Inland Marine, Fidelity, and other similar coverage (Property Risk) commonly provided to a Governmental Entity; and

Whereas, the parties to the Contract acknowledge the Pool will include such Property Risk and desire to extend the Contract in certain limited respects to make the Contract apply to Property Risk;

Now therefore, the following modifications and extensions are made to the Contract and shall apply when the coverage being provided by the Pool is for Property Risk. This Amendment and the following modifications and changes are applicable only to coverage for Property Risk provided by the Pool:

1. The following definitions apply to this Property Coverage Amendment. All of the terms used in this Amendment shall have the meanings and definitions assigned or given to them in the Contract unless a separate definition is indicated or stated in this Amendment:

Annual Property Contribution	Annual Property Contribution shall mean those contributions made by Members, on an annual basis and amended from time to time, which are applicable to coverage for Property Risk.
Property Basis Rate	Property Basis Rate shall mean one hundred percent (100%) of a Member's Annual Property Contributions.
Property Contribution	Property Contribution shall mean the contribution made for Property Risk.
Property Coverage	Property Coverage shall mean the coverage afforded a Member for Property Risk, pursuant to the Member's Property Risk Sharing Certificate and subsequent amendments or endorsements thereto.
Property Fund	Property Fund shall mean the sum of the Members' Property Contributions, supplemented by investment income, if any, and reduced from time to time by losses and operating expenses.
Property Risk	Property Risk shall mean Property, Vehicle Physical Damage, Inland Marine, Crime, and other similar coverage commonly provided to a Governmental Entity.
Property Risk Sharing Certificate	Property Risk Sharing Certificate shall mean the document provided to a Member evidencing scope, nature and limits of Property Coverage participation in the Pool.

2. Establishment of Annual Property Contribution:

- (A) An Annual Property Contribution shall be established consisting of amounts deemed sufficient to annually produce the sum of money reasonably necessary to fund the general and administrative expenses, reinsurance expenses, any contingencies, and losses and loss expenses for Property Risks.
- (B) The Administrator shall advise each Member of its Annual Property Contribution, which shall be due annually or as stated in the Member's Property Risk Sharing Certificate.

(C) In the event that the Property Fund is insufficient during any Pool fiscal year to pay expenses and losses, the Administrator shall immediately collect any remaining reinsurance as may be available to the Pool. In the event that any available reinsurance and Property Fund balance are insufficient to pay expenses and losses, the Board of Directors may transfer funds from the Pool's other available funds. Repayment of such funds shall be made within three (3) years on a schedule to be determined by the Board of Directors.

3. For purposes of this Amendment, one hundred percent (100%) of a Member's Annual Property Contribution shall be deemed the Member's Property Basis Rate. Such Basis Rates shall be treated like all other Pool Basis Rates except that they shall not be considered as part of the Basis Rate for purposes of making the calculations under Article X of the Contract or for determining the withdrawal payment pursuant to Article XII of the Contract.

4. A Member's election to cease participation in the Pool for Property Coverage shall not constitute a withdrawal from the Pool under any other terms and conditions of the Contract.

5. In the event that a Member does not make its Property Contributions when due, all Property Coverage shall terminate effective on the date when such contribution was due (the "termination date"). If the Member shall subsequently submit its payment the Administrator may, in its discretion, reinstate Property Coverage.

6. The following termination provisions shall apply to Property Coverage only:

(A) Members agree to continue such coverage, as is provided for Property Risk, for a period of not less than one full year. At the conclusion of such period, or anniversary thereof, a Member may terminate such coverage by giving notice to the Pool at least thirty (30) days prior to the end of such period.

(B) The Pool may terminate a Member's Property Coverage by giving notice to the Member of such termination at least:

(i) Ten (10) days prior to the effective date of termination if the Pool terminates for nonpayment by a Member of any required Property Contribution; or

(ii) Sixty (60) days prior to the end of any Property Risk Sharing Certificate year if the Pool terminates for any other reason.

(C) The notice of termination shall be made in accordance with Article XVIII of the Contract.

(D) The notice of termination shall state the effective date of termination at which time the coverage provided by the Property Risk Sharing Certificate shall terminate.

(E) If the Property Coverage is terminated, the Pool shall send the Member any contribution refund due. If the Pool terminates Property Coverage, the refund shall be pro rata. If the Member terminates, the refund will be less than pro rata. The termination of the Property Coverage shall be effective even if the Pool has not made or offered a refund.

7. Property Coverage applies only to losses that occur prior to the termination date. All rights for reimbursement or any right to claim against the Pool shall terminate for losses that occur after the termination date.

8. The Pool's retention in any one loss is limited to that stated under "Pool Retention" in the Appendix - Scope of Coverage.

9. This Amendment is intended to apply solely to Property Coverage and shall not be construed to amend, modify, alter, or change any of the terms, conditions, or provisions of the Contract other than as specifically enumerated herein. When dealing with all other forms of coverage the Contract shall remain in full force and effect, unaltered and unmodified by this Amendment.

10. In the event that the Pool terminates its existence pursuant to Article XIV of the Contract, the Pool shall continue to pay losses incurred within the scope of Property Coverage and pursuant to the Member's Property Risk Sharing Certificate, during the period of liquidation until all funds in the Property Fund are exhausted. After payment of all losses, any remaining funds held by the Pool in the Property Fund shall be paid to all those participants that were Members at the time of the vote for termination, and that participated in Property Coverage, as apportioned by the Board.

The individual executing this Contract on behalf of a new or existing Member represents and certifies that he or she has the requisite authority and has complied with all rules, regulations, and laws required by the State or political subdivision in order to execute this Contract.

The parties acknowledge and agree that facsimile signatures and the signature of the Administrator on behalf of the Public Entities Pool of Ohio shall be legal and binding.

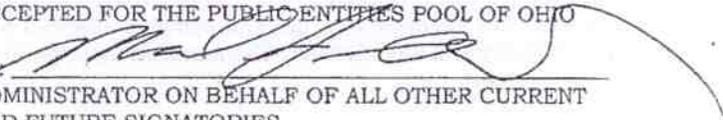
In witness whereof, this Contract was executed on the \_\_\_\_ day of \_\_\_\_\_, 20\_\_, by the undersigned duly authorized representative of the Governmental Entity indicated below.

GOVERNMENTAL ENTITY: \_\_\_\_\_

By: \_\_\_\_\_

TITLE: \_\_\_\_\_

ACCEPTED FOR THE PUBLIC ENTITIES POOL OF OHIO

By:   
ADMINISTRATOR ON BEHALF OF ALL OTHER CURRENT  
AND FUTURE SIGNATORIES

## DISCLOSURE STATEMENT

This Disclosure Statement is appended to the Intergovernmental Contract (Contract) for the Public Entities Pool of Ohio. Pursuant to the provisions of the Revised Code of the State of Ohio, the following is disclosed:

1. In connection with the Contract, no representations have been or can be made concerning any possibility of the savings or losses resulting from execution of the Contract by any Governmental Entity.
2. The potential liability of any Governmental Entity, which will result from the execution of the Contract, is limited to the contractual obligations to make financial contributions as required by the Contract. By execution of the Contract, Governmental Entities do not undertake to become directly liable or responsible for the liabilities of other Governmental Entities which have or will in the future execute the Intergovernmental Contract. The Contract does not inure to the benefit of any third party.
3. By executing the Contract, a Governmental Entity shall not be deemed to have waived any governmental immunity which it may have under law.

This disclosure is intended to comply with the disclosure requirements of the Revised Code of the State of Ohio, and is appended to the Contract which is incorporated herein by reference. The entire Contract, together with supporting ancillary and incorporated documents, should be reviewed to fully analyze the Pool, its Administration, and the rights, duties, and obligations under the Contract. The Contract and any documents incorporated therein by reference are intended as a full and complete disclosure of all of the terms and conditions governing the rights and obligations of any signator. There are no representations, warranties, or promises unless they are contained in the Contract.

**PROXY STATEMENT**

Be it known, that the undersigned representative of the Governmental Subdivision (hereinafter referred to as "Member") hereby nominates and appoints the following individual and alternate to represent the "Member" with the PUBLIC ENTITIES POOL OF OHIO (hereinafter referred to as "Pool"). The individual and alternate shall act as liaison between the "Member" and the "Pool" for the purposes of relating risk reduction and loss control information, and any other information or instructions concerning the obligations of the "Member" imposed by signing of the Intergovernmental Contract and the rules and regulations established thereunder, to the same extent and with like effect as the undersigned could do if personally present and the undersigned does hereby ratify and confirm and adopt all action done or taken by the individual or alternate.

Individual: \_\_\_\_\_ Alternate: \_\_\_\_\_

Title: \_\_\_\_\_ Title: \_\_\_\_\_

In witness whereof, this Proxy was executed on the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, by the undersigned duly authorized officers of the Governmental subdivision indicated below:

Governmental  
Subdivision: \_\_\_\_\_

By: \_\_\_\_\_

Title: \_\_\_\_\_

By: \_\_\_\_\_

Its Clerk