ORDINANCE NO. 04-08 AC CMS

AN ORDINANCE ACCEPTING THE RENEWAL PROPOSAL OF THE PUBLIC ENTITIES POOL OF OHIO THROUGH ACORDIA OF OHIO, INC., FOR LEGAL LIABILITY FOR THIRD PARTY CLAIMS, LAW ENFORCEMENT LIABILITY, WRONGFUL ACTS LIABILITY, AUTOMOBILE LIABILITY AND EXCESS LIABILITY INSURANCE COVERAGE FOR THE CITYOF OBERLIN AND DECLARING AN EMERGENCY

WHEREAS, the City of Oberlin has been a member of the Public Entities Pool of Ohio since 1988 and the membership agreement automatically renews each year; and

WHEREAS, it is now time for certain insurance coverage provided by said Pool to be renewed.

NOW THEREFORE, be it ordained by the Council of the City of Oberlin, County of Lorain, State of Ohio, five-sevenths (5/7ths) of all members elected thereto concurring:

SECTION 1. That the renewal proposal of the Public Entities Pool of Ohio and its agent, Acordia of Ohio, Inc., for providing certain insurance coverage for the City of Oberlin, be and the same is hereby accepted, and the City Manager is hereby authorized and directed to enter into a contract in accordance with the following:

Coverage & Amount	Premium
Legal liability for third party claims $6,000,000 Liability Limit $0 - Deductible	$63,330
Law Enforcement Liability $6,000,000 Liability Limit $5,000 - Deductible	$ 8,837
Wrongful Acts $6,000,000 Liability Limit $5,000 - Deductible	$ 6,247
Automobile Liability $6,000,000 Liability Limit $100,000 Uninsured Motorists	$43,568

SECTION 2. It is found and determined that all formal actions of this Council concerning or relating to the adoption of this Ordinance were adopted in an open meeting of this Council, and that all deliberations of this Council and of any of its committees that resulted in such formal action, were in meetings open to the public in compliance with all legal requirements, including Section 121.22 of the Ohio Revised Code.

SECTION 3. That this Ordinance is hereby declared to be an emergency measure necessary for the preservation of the public peace, health, and safety of the citizens of the City of Oberlin, Ohio, or to provide for the usual operation f a municipal department, to wit:

> "to authorize the renewal of certain insurance coverage for the City of Oberlin prior to its expiration date of February 15, 2004," and shall take effect immediately upon passage.

PASSED: 1st Reading - January 20, 2004 (E)
2nd Reading –
3rd Reading -

ATTEST:

Eugene F. Sims

CLERK OF COUNCIL

CHAIR OF COUNCIL

POSTED: January 21, 2004

EFFECTIVE DATE: January 21, 2004

a:/ORD04-08PEPInsurance

City of Oberlin
/69 South Main Street Oberlin, Ohio 44074

To: Honorable Chair and Council

From: Sal Talarico, City Auditor

Subject: Public Entities Pool (PEP) Liability Insurance Renewal – Ord. 04-08
Boiler and Machinery – Travelers – Ord. 04-09
Property – Indiana Insurance – Ord. 04-10

Date: January 16, 2004

Public Entities Pool (PEP) Liability Insurance Renewal – Ord. 04-08
The City has been in the Public Entities Pool (PEP) since 1988 for various types of insurance coverage including Legal Liability for Third Party Claims (formerly known as General Liability), Law Enforcement Liability, Wrongful Acts (formerly known as Public Officials Errors & Omissions), and Automobile Liability. The pool consists of many government units within the State and operates as a non-profit pool.

Insurance through PEP is unique from most other insurance policies in that coverage ends when the policy expires. With most traditional insurance policies if a claim is filed during the policy period the policy would cover that event even if a new policy with a different carrier was in place. With PEP coverage ends and the City would have to purchase additional coverage to cover any pending claims. Due to this uniqueness it is very difficult for the City to leave the pool if there are any potentially significant claims outstanding. I will continue to keep all options open, but only if we can economically obtain coverage for pending claims.

The types of coverage, liability limits and deductibles are noted in the ordinance. Last year our premium was $122,458 our new premium is $121,982.

Boiler and Machinery – Travelers – Ord. 04-09 and
Property – Indiana Insurance – Ord. 04-10
Both of these are renewals of our current policies. The Boiler & Machinery coverage was $43,414 last year and now $46,453 and mainly insures our electric generators. The Property coverage was $44,812 last year and now $52,112 and mainly insures our buildings and contents. There is one addition to the property coverage to include terrorism, the premium for that coverage is $2,346 and is included in the $52,112 total premium.

The combined policies will cost $220,547 compared to $210,684 last year. This represents a 5% increase, based on the overall insurance market the increase is within reason.

The current coverage period expires February 15, 2004 therefore I request first reading on emergency on January 20, 2004 so the policies can be in place in advance.

If you have any questions please call.

c. Robert DiSpirito, City Manager
Eric Severs, City Solicitor
Jean Simon, City Clerk
File