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To: Invited Bidders  
From: Tim Wolff, Village Manager  
Re: Village of Lake Isabella Property & Liability RFP  
Date: March 3, 2017

Dear Bidders,

I would like to invite your firm to submit proposals to provide Property & Liability Insurance coverage to the Village of Lake Isabella. Enclosed with this invitation is an official RFP for your firm to use in this process. Additional copies can be obtained on our website under the "Notice to Bidders" tab. This will be the first time that the Village has sought bids on insurance since 2006, and we are excited to see what your firm is able to offer. If you have questions relating to the Village or coverage desired after reviewing the RFP please feel free to contact me at your convenience.

Our schedule for this process is as follows:

<b>Step</b>	<b>Date</b>
Bids Mailed Out	March 3 <sup>rd</sup>
BIDS Due	March 31 <sup>st</sup>
Initial Review by Finance Committee	Early April
Finance Committee Recommendation	Mid-April
Award by Village Council	April 25 <sup>th</sup>

In full disclosure, we have invited the following firms to participate in this RFP:

- Cadillac Insurance Center, Inc.
- Lind & Lind Insurance
- Michigan Municipal League (Current Provider)
- Michigan Municipal Risk Management Authority
- Michigan Township Participating Plan

I look forward to hearing from your company. Again, I am available to answer any questions that you may have on this proposal. I have enclosed my business card with contact information that you are free to use. Thank you in advance for considering the Village of Lake Isabella as a client.



**Village of Lake Isabella**

**Request for Proposal**

**Property & Liability Insurance**

**Issued By:** Tim Wolff, Village Manager

**Issue Date:** March 3, 2017

**Proposal Due Date:** Friday, March 31, 2017 (4:00 PM Local Time)

## Introduction

The Village of Lake Isabella is seeking proposals from qualified vendors for providing property and liability insurance coverage. Coverage quoted to run concurrent with the Village's Fiscal Year (July 1<sup>st</sup> thru following June 30<sup>th</sup>). The Village of Lake Isabella is a Home Rule Village located in Isabella County. The 2010 Census indicates a population of 1,681 residents. The Village also has many seasonal homes and community members. The Village provides a limited number of services directly to its residents, and has partnered with other agencies for several services. The Village does not provide law enforcement services at the present time. The Village does occasionally contract for additional law enforcement services, but has never provided the service "in-house." Likewise, the Village does not own or operate any municipal sewer systems.

The Village of Lake Isabella contains the second largest street network of any village in the State of Michigan. The Village owns and maintains slightly less than 27 miles of streets. The only sidewalks owned by the Village are those at the Village Hall, there are no sidewalks along streets in the Village. The Village does not currently own or operate any parks. The Village does own and operate a Basic Utility Airport which is not currently included in our general Property & Liability Insurance. While not subject to this RFP if your company is interested in providing coverage for our Airport please contact the Village to discuss that matter independent of this RFP.

The Village's annual budget is typically around \$750,000 operations and streets. Payroll for the current FY is roughly \$115,000. The Village is staffed by 2 Full-time employees, and has budgeted for 2 Part-time staff members for the current FY. The Village is governed by an elected seven-member Village Council. From among those seven members, they select a Village President, Village Clerk, and Village Treasurer. The functions of the Clerk and Treasurer are performed by staff. In addition to this, the Village has a volunteer Airport Manager, and also uses a Planning Commission, Zoning Board of Appeals, Airport Advisory Board, and Board of Ethics as part of its governmental operations.

## Proposal Requirements

To be considered a complete proposal, a submission shall include the following items:

1. Name of the organization legally responsible for paying the Village's claims, and contact person(s) responsible for administering the Village's account.
2. Confirmation that the proposed coverage is on an occurrence-date basis, not a claims-made basis.
3. The proposed insurance coverage and limits should be similar in scope to the Village's current coverage. Please complete the "Coverages & Deductibles" worksheet on Page 5.
4. A description of the firm's loss-control and risk management services which would be provided to the Village. Please complete the questions on Page 3.
5. Completion of the general questions regarding the coverage being offered. Please complete the table of questions on Pages 3-4
6. Please include the annual premium for the coverage quoted on Page 5.
7. Please complete the request for References and Submission Certification on Page 6.

## Method of Evaluation

Firms may submit multiple proposals. The Village desires to obtain coverage in the \$3,000,000 to \$5,000,000 range. Multiple proposals may be submitted in this coverage range with varying factors and deductibles as your firm feels is appropriate to provide similar coverage.

Proposals will be evaluated with an emphasis on the following factors:

1. Price, however price alone will not be the sole factor in recommending a proposal for approval.
2. References from other governmental entities and list of insured clients.
3. Advantages demonstrated by the firm's experience in municipal coverage.

## Current Property & Vehicle Summary

**Property Schedule for the Village of Lake Isabella  
(Current Replacement Costs – Appraisal Date 2016-10-18)**

<u>Location</u>	<u>Limit</u>
1010 Clubhouse Drive	
• Village Hall (Built 2007)	\$380,100
• Contents	\$25,000
• Property in the Open (Flagpole, Lighting, Signage)	\$10,806
201 S. Coldwater Road	
• DPW Garage (Built 1999)	\$343,200
• Salt Storage Building (Built 2009)	\$63,672
• Contents	\$10,000
• Property In the Open (Signage, Gate, <span style="color: red;">Add Flagpole &amp; Kiosk</span> )	\$7,500
<b>TOTAL PROPERTY LIMIT</b>	<b>\$840,278</b>

**Automobile Endorsement Schedule for the Village of Lake Isabella  
Coverage at Actual Cash Value**

<u>Year</u>	<u>Make/Model/Body</u>	<u>VIN</u>
2010	Ford/F250/Pick-up with Plow	1FTNF2B52AEB35414
2012	Ford/F150/Pick-up	1FTVX1ET8CKE08801

## Coverage Provisions



### General Information:

1. Name of Organization or Company legally responsible for paying claims made by the Village of Lake Isabella?

2. Please describe the loss control and risk management services the Village of Lake Isabella will receive that are included in your quotation.

2a. Is there a fee for these services, if yes please list the annual amount?

No  Yes, & Amount: \$ \_\_\_\_\_

3. Besides paying an annual premium on time, are there any other obligations if your proposal is accepted?

No  Yes, & Please Describe:

4. Under what conditions and circumstances does your firm return a premium dividend to its policy holders? How is that amount determined?

5. Please complete the following questions regarding the specifics of the coverage being offered to the Village.

Question		Yes	No
<b>General Policy Questions</b>			
1	Does the definition of "Insured" include all present, past, or future appointed or elected officials, boards, board-members, commissions, commission-members, volunteers, full-time staff, part-time staff, both individually and collectively while acting or alleged to be acting within in the scope of their duties on behalf of the Village of Lake Isabella? (If "No," please attach a list of any exemptions)		
2	Is there a minimum of 60 days' notice of cancellation provided on all lines of coverage being quoted?		

Liability Coverage			
3	With respect to liability coverage, is there an aggregate limit?		
4	Is liability for employment practices/actions such as hiring, firing, disciplining or failing to promote covered?		
5	Are back and future wages covered in employment discrimination cases?		
6	Do any liability deductibles apply?		
	It yes, do they reduce the limit of the liability?		
7	Is liability coverage provided for punitive damages to the extent it is permitted by statute?		
8	Does the policy cover the liability of the Village arising out a Village official or employee's malfeasance?		
9	Does the policy cover the defense of an officer or employee accused of malfeasance?		
10	Is liability for civil rights violations covered?		
11	Are any coverages quoted done so on a claims-made basis rather than an occurrence-date basis? If "Yes" Please describe in detail.		
12	Are fireworks displays covered or available as additional coverage?		
13	Does the definition of "personal injury" include mental anguish, humiliation, and damage to reputation?		
14	Are Land Use (Zoning) claims covered, including "takings?"		
15	Are you able to provide Bonds for the Village Clerk & Village Treasurer?		
16	Are you able to provide Bonds for staff members who act as Notary Publics?		
Auto Coverage			
17	Is an exception to the pollution exclusion provided for pesticide and herbicide application?		
18	Is automatic coverage provided for newly acquired vehicles until the expiration of the policy, with no reporting provision?		
19	Are employees covered, excess of employee's primary coverage, while operating their own vehicles on governmental business?		
20	Are employees covered on a primary basis while operating covered vehicles for personal business?		
21	Is collision coverage provided?		
22	Is comprehensive coverage provided?		
23	Is there a deductible required for claims made to automotive glass?		
24	Is there a deductible required for broadside claims?		
25	Is towing coverage included in the policy?		
26	Are trailers owned by, or being used by, the Village of Lake Isabella covered if a claim arises while in use/tow by a Village vehicle?		
Property Coverage			
27	Is coverage written on a replacement cost basis?		
28	Is property "in the open" required to be located near scheduled property for coverage to apply?		
29	Is demolition of undamaged parts of covered buildings provided?		
30	Is water damage from burst pipes covered?		



## Coverages & Deductibles



Coverage		Current Coverage			Proposed Coverage		
		Limit of Liability	Aggregate Limit	Per Occurrence Deductible	Limit of Liability	Aggregate Limit	Per Occurrence Deductible
<b>Liability</b>	General Municipal Liability	\$5,000,000	N/A	\$0			
	Sewer Back-up	Not Covered	N/A	N/A			
	Personal Injury Liability	\$5,000,000	N/A	\$0			
	Medical Payments	\$10,000	N/A	N/A			
	Public Officials Liability	\$5,000,000	N/A	\$0			
	Law Enforcement Liability	Not Covered	N/A	N/A			
	Employee Benefit Liability	\$1,000,000	\$1,000,000	\$0			
	Fire Legal Liability	\$100,000	N/A	N/A			
	Dam Liability	Not Covered	N/A	N/A			
	Auto Liability	\$5,000,000	N/A	\$0			
<b>Property</b>	Property, Blanket Basis	\$824,944	N/A	\$250			
	Accounts Receivable	\$100,000	N/A	\$250			
	Consequential Damage	\$100,000	N/A	N/A			
	Contractors Equipment	\$23,995	N/A	\$250			
	Debris Removal	\$5,000,000	\$5,000,000	N/A			
	Demolition & Increased Const. Cost	\$100,000	N/A	N/A			
	Earthquake	\$2,000,000	\$2,000,000	\$5,000			
	Electronic Data Processing Equip.	\$25,000	N/A	\$250			
	Expediting Expense	\$100,000	N/A	N/A			
	Extra Expense	\$100,000	N/A	N/A			
	Fine Arts	\$100,000	N/A	\$250			
	Flood	\$1,000,000	\$1,000,000	\$5,000			
	Loss of Income	\$100,000	N/A	N/A			
	Loss of Rents	\$100,000	N/A	N/A			
	Ornamental Trees & Plants	\$5,000	\$10,000	\$250			
Personal Effects & Property of Others	\$500	\$2,500	\$250				
Valuable Papers	\$100,000	N/A	\$250				
<b>Crime</b>	Employee Dishonesty Blanket	\$100,000	N/A	N/A			
	Depositors Forgery	\$100,000	N/A	N/A			
	Money & Securities Inside	\$100,000	N/A	N/A			
	Money & Securities Outside	\$100,000	N/A	N/A			
	Money Orders & Counterfeit Paper	\$100,000	N/A	N/A			
<b>Bonds</b>	Treasurer	\$100,000	N/A	N/A			
	Deputy Manager (Notary)	\$100,000	N/A	N/A			
	Village Manager (Notary)	\$100,000	N/A	N/A			
	Clerk	\$100,000	N/A	N/A			

<b>Total Annual Lump Sum Premium for Coverage Quoted</b>	\$
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## References



Please complete the following information that can be used by the Village in the evaluation of your proposal. Clients of similar size or operations should be given priority to be used as a reference.

### Reference #1

Municipality: \_\_\_\_\_

Contact Person: \_\_\_\_\_

Contact Phone #: \_\_\_\_\_

Years as a Client: \_\_\_\_\_

### Reference #2

Municipality: \_\_\_\_\_

Contact Person: \_\_\_\_\_

Contact Phone #: \_\_\_\_\_

Years as a Client: \_\_\_\_\_

### Reference #3

Municipality: \_\_\_\_\_

Contact Person: \_\_\_\_\_

Contact Phone #: \_\_\_\_\_

Years as a Client: \_\_\_\_\_

## Submission Certification

Company: \_\_\_\_\_

Contact Person & Title: \_\_\_\_\_

Mailing Address: \_\_\_\_\_

City, State ZIP: \_\_\_\_\_

Phone #: \_\_\_\_\_

Email: \_\_\_\_\_

Signature & Date: \_\_\_\_\_ / \_\_\_\_\_