



MEMORANDUM

Date: November 27, 2013

To: Administration Committee
From: Pamela A. Captain, City Attorney

RE: Underground Storage Tanks (UST) Insurance (RENEWAL)

For your consideration attached is a summary of quotations for UST insurance coverage. You may recall that according to federal regulations cities must demonstrate financial ability in the case of a leak. In the past the City of Menasha relied on its bond rating to demonstrate financial ability. At this time we are not able to rely upon our bond rating. Over the past few years the Administration Committee recommended and the Common Council approved taking out UST insurance in order to be compliant with federal regulations.

We are looking for approval to renew the City's UST insurance coverage. If anyone is interested in reviewing the complete proposal it is available in the City's clerk office. We requested our insurance broker, through CVMIC, to seek quotations. We have two company quotations from which to choose. A third was priced over \$5,000 so it is not included.

SAMPLE MOTION:

To approve the renewal of the UST insurance coverage accepting the quotation of ACE American Ins. Co. for 1 year in the amount of \$3,880.00.



Arthur J. Gallagher Risk Management Services

Arthur J. Gallagher & Co. Insurance Brokers of California, Inc.

November 25, 2013

Mr. Michael Brunn
Human Resource Dept.
City of Menasha
140 Main Street
Menasha, WI 54952

RE: UNDERGROUND STORAGE TANK POLICY #G24735497 001
ACE AMERICAN INSURANCE COMPANY
EXPIRATION DATE: DECEMBER 31, 2013

Dear Mr. Brunn:

The captioned policy expires on December 31, 2013. Attached is the renewal quotation issued by the incumbent carrier, ACE American Insurance Company for your review.

We are not aware of any changes in your exposures to loss, nor are we aware of any changes in your business operations that would necessitate additional coverage options. Please notify us immediately if you are planning any new business operations.

We would like to outline the following notable points for your consideration:

- Any entity not named above, may not be an insured entity. This may include partnerships and joint ventures.
- The insurance carrier is ACE American Insurance Company.
- The A. M. Best rating is A+ XV. The A. M. Best Rating Summary is attached for your review.
- The renewal premium is \$3,880. A slight increased from expiring premium of \$3,528.
- Commission to Gallagher is at 15%.
- The premium is based upon expiring information and is not subject to audit.
- A renewal application is enclosed for your signature. Please review the renewal application and let us know if there are any changes to the information listed on this application.
- Please refer to the policy for the Claims Reporting Requirements.

Gallagher is responsible for the placement of the following lines of coverage:

- Underground Storage Tanks coverage

It is understood that any other type of exposure/coverage is either self-insured or placed by another brokerage firm other than Gallagher. If you need help in placing other lines of coverage or covering other types of exposures, please contact your Gallagher representative.

To renew/bind this policy, please refer to the "Client Authorization to Bind Coverage" page attached.

1. Note any changes you desire to be made on the renewal application.
2. Date and sign the Client Authorization To Bind and the Renewal Application and it's attachments.
3. Return the signed & dated Client Authorization To Bind and the Renewal Application via email or fax no later than December 20, 2013.

We appreciate your business and look forward to working with you in the coming year. Please contact me if you have any questions.

Sincerely,


Joann Le
Account Executive

Enclosures



ACE American Insurance Company
 436 Walnut Street
 Philadelphia, PA 19106

**ACE TankSafe®
 Storage Tank Liability
 Insurance Policy
 Quotation**

ACE ENVIRONMENTAL RISK

QUOTE NO: Q76262
A.M. BEST RATING: A+ XV

DATE: 11/06/2013
TO: Arthur J. Gallagher & Co.

NAMED INSURED: City of Menasha

INCEPTION DATE: 12/31/2013
EXPIRATION DATE: 12/31/2014
RETROACTIVE DATE: See attached Schedule of Covered Storage Tanks

POLICY LIMITS:

\$1,000,000	Per Storage Tank Incident Limit of Liability (Claims and Remediation Costs)
\$1,000,000	Aggregate Limit of Limit of Liability (Claims and Remediation Costs) for all Storage Tank Incidents
\$1,000,000	Aggregate Limit of Liability for all Legal Defense Expenses for all Storage Tank Incidents
\$2,000,000	Total Policy Aggregate Limit of Liability for all Storage Tank Incidents

DEDUCTIBLE: \$25,000 Per Storage Tank Incident

PREMIUM*: \$3,880.00
 The premium in this quote includes commission in an amount equal to 15.00 % of such premium.

COMMISSION: 15.00 %

NUMBER OF COVERED STORAGE TANKS: See attached Schedule of Covered Storage Tanks

Terms & Exclusions: This quotation contemplates the use of ACE USA forms, issued on the paper indicated below. All terms and conditions are per those forms and endorsements unless otherwise noted herein.

PF-31181 (10/10) ACE TankSafe® Storage Tank Liability Insurance Policy

Endorsements: See Attachment A

Subjectivities: See Attachment B

Please read this quotation carefully, as the limits, coverage and other terms and conditions may vary significantly from those requested in your submission and/or from the expiring policy. Terms and conditions that are not specifically mentioned in this quotation are not included. The terms and conditions of this quotation supersede the submitted insurance specifications and all prior quotations. Actual coverage will be provided by and in accordance with the policy as issued.

The insurer is not bound by any statements made in the submission purporting to bind the insurer unless such statement is reflected in the policy or in an agreement signed by someone authorized to bind the insurer.

This quotation has been constructed on reliance of the data provided in the submission. A material change or misrepresentation of that data voids this quotation.

THIS BINDABLE QUOTATION SHALL EXPIRE SEVENTY-FIVE (75) DAYS FROM THE DATE INDICATED AT THE TOP OF THIS DOCUMENT OR NO LATER THAN THE INCEPTION DATE OF COVERAGE.

THE PREMIUM INDICATED ABOVE MUST BE REMITTED TO US WITHIN THIRTY (30) DAYS OF THE INCEPTION DATE.

Thank you for the opportunity to quote on this risk. For underwriting questions or concerns, please contact Carlos Mora at 2156405212 (phone) or Carlos.Mora@acegroup.com (email).