



October 15, 2014

Ms. Pamela Captain
City of Menasha
430 First Street
Menasha, WI 54952

RE: Cities and Villages Mutual Insurance Company – Notice of Changes to Public Entity Liability Insurance Policy

Dear Pamela,

At the summer membership meeting on July 17, 2014, and the annual membership meeting on October 4, 2014, the Cities and Villages Mutual Insurance Company (CVMIC) management team provided information to the members regarding changes to the Public Entity Liability Insurance policy for 2015. These changes have been approved by the Board of Directors and will go into effect on January 1, 2015. Most of the changes are cosmetic in nature. There is one change that enhances coverage and one change that will reduce current coverage, as explained below. Below are the approved changes for the 2015 Public Entity Liability policy:

Section I-Coverages:

Added Language-“The Mutual makes no warranty or representation, express or implied, as to the adequacy of coverage provided for in this policy for the needs of the INSURED”.

Section IV-Insured’s Retained Limit and the MUTUAL’s Limit of Liability:

Deleted Language- “as the result of any one OCCURRENCE”.

Section VIII-Conditions Item E: provides an enhancement of coverage when there is other insurance available.

Added Language-“with the written consent of the MUTUAL ... purchased with the written consent of the MUTUAL”...

Section VIII-Conditions Item E:

Added Language-“then amounts paid by said insurance for such loss, and amounts paid by the INSURED for such loss pursuant to any retained liability under said insurance shall...for such loss”.

Section VIII-Conditions Item H:

Added Language-"The INSURED shall not withhold all or any portion of the INSURED'S premiums pending resolution of a dispute".

Section VIII-Conditions Item M:

Deleted Language-"failure to comply with the Liability Risk Management Guidelines".

Added Language-"the INSURED has materially failed to comply with rules or policies governing the rights and responsibilities of members that have been duly adopted by the MUTUAL's Board of Directors".

Section VIII-Conditions Item P:

Change heading for Item P from Surplus Dividends to Policy Dividends.

Added Language- "The....pay dividends on this policy". "The MUTUAL shall send a.....dividend...FIRST NAMED".

Endorsement No. XX – This change reduces coverage in the area of cyber liability. Currently, the policy is silent on cyber liability and this endorsement would exclude coverage. The reason for the exclusion is CVMIC is looking at a separate group purchase that would provide coverage for cyber liability and first party coverage for damages resulting from cyber-attack. If this group purchase program is not implemented, the exclusion for cyber liability will not be added to the policy.

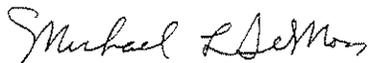
Added Language-"The CVMIC policy does not provide coverage for any claim, liability or loss arising out of a SECURITY FAILURE of a COMPUTER SYSTEM that is used, accessed, owned, operated, maintained or controlled by a MEMBER". In addition, six new definitions were added for this endorsement.

As the Board approved the changes at the September 10, 2014, Board of Director's meeting and as there was no discussion related to these changes at the Annual Meeting, the policy has been filed with the Office of the Commissioner of Insurance of the State of Wisconsin and will become effective January 1, 2015.

If you have any questions regarding the changes of the Public Entity Liability Insurance Policy, please feel free to contact Tom Mann (email: tem@cvmic.com, phone: 414-831-5988).

Sincerely,

CITIES AND VILLAGES MUTUAL INSURANCE COMPANY



Michael L. DeMoss
Executive Director

MLD:scp