



October 15, 2014

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

Re: Cities and Villages Mutual Insurance Company – Notice of Termination of Liability Insurance Coverage Program Agreement

Dear Pamela,

As you may know, the Liability Insurance Coverage Program Agreement (the “Program Agreement”), which governs many aspects of your relationship with Cities and Villages Mutual Insurance Company (“CVMIC”), was developed in connection with the formation of CVMIC in the mid-1980s, and was focused primarily on issues surrounding the bonds issued to capitalize CVMIC. Since those bonds were paid off in 2007, and because there have been many other changes over the past 26 years or so, we determined to evaluate the continuing relevance of the Program Agreement. As part of this evaluation, the CVMIC Board of Directors initiated discussions with legal counsel and with the Wisconsin Office of the Commissioner of Insurance (“OCI”). During these discussions, it became apparent that certain provisions of the Program Agreement are no longer in compliance with current Wisconsin law.

After discussing several options with legal counsel and OCI, CVMIC has determined that the most desirable solution is to eliminate the Program Agreement in its entirety, and to transfer many of the provisions that continue to have relevance today to more appropriate documents, such as CVMIC’s Articles of Incorporation or By-Laws. As you know, the Board and Members have approved the applicable transfers. Under Section 4.1 of the Program Agreement, CVMIC may take the next step and terminate the Program Agreement effective January 1 of any year by providing each Member Municipality with a notice of termination by no later than the preceding November 15. Accordingly, please take notice that CVMIC is hereby terminating the Program Agreement effective January 1, 2015.

If you have any questions regarding the termination of the Program Agreement, please feel free to contact Ken Horner (phone: 414-831-6000, email: kah@cvmic.com) or me (phone: 414-831-5999, email: mld@cvmic.com).

Sincerely,

Michael L. DeMoss
Executive Director

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