



MEMORANDUM

Date: November 26, 2014

To: Administration Committee

From: Pamela A. Captain, City Attorney

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

We are looking for approval to renew the City's UST insurance coverage. You may recall that according to federal regulations cities must demonstrate financial ability for cleanup costs in the case of a leak. In the past the City of Menasha relied on its bond rating to demonstrate financial ability. We are not able to rely upon our bond rating at this time. 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.

If anyone is interested in reviewing the complete proposal it is available in the City's clerk office.

SAMPLE MOTION:

To approve the renewal quotation for UST insurance of ACE American Insurance Co. for 1 year in the amount of \$4,248.



October 24, 2014

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

RE: UNDERGROUND STORAGE TANK POLICY #G24735497
ACE AMERICAN INSURANCE COMPANY
EXPIRATION DATE: DECEMBER 31, 2014

Dear Mr. Brunn:

We were advised by the carrier that the captioned policy is eligible for an automatic renewal effective December 31, 2014.. Attached is the renewal quotation issued by the incumbent carrier, ACE American Insurance Company for your review. Renewal quotation is based on expiring information.

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.
- Renewal premium is \$4,248. A slight increased from expiring premium of \$3,880 due to the age of covered tanks.
- Commission to Gallagher is 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.
- Covered Tanks are listed on page 4 of the renewal quote.
- 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.

In order to complete the renewal process, please return the following documents no later than **December 12th**:

1. Note any changes you desire to be made on the renewal application.
2. Signed & dated the Client Authorization To Bind AND the Renewal Application

We appreciate your renewal business and look forward to working with you in the coming year. Please contact me if you have any questions or required any clarifications. Thank you and have a great day.

Sincerely,

Loann Le
Account Executive

Enclosures

Compensation Disclosure Schedule

Coverage(s)	Carrier Name(s)	Wholesaler, MGA, or Intermediary Name	Estimated Annual Premium	Comm % or Fee	Wholesaler, MGA or Intermediary % or Fee	AJG Owned? Yes or No
Underground Storage Tanks	ACE American Insurance Company	None	\$4,248.00	15%	None	N/A

Some carriers pay Gallagher supplemental or contingent commissions in addition to the policy commission. Contingent commissions are typically contingent upon performance factors such as growth, profit, volume or retention, while supplemental commissions are not. These supplemental or contingent commissions may range from less than 1% up to 10 % of the policy premium. Please refer to the Contingent and Supplemental Commission Disclosure or contact your Gallagher representative for additional information. Please refer to the carrier's quote attached for additional renewal information.