



**To: Mayor Merkes
Members of the Common Council
From: Chief Stanke
Date: October 4, 2010
Re: CVMIC Annual Meeting**

I would like to provide you a brief synopsis of the annual meeting of CVMIC that was held this weekend. First the good news, we are scheduled to receive a dividend in the amount of \$26,369.00 payable March 1, 2011. This continues a trend of receiving dividends as a member of CVMIC and has enabled the city to save a considerable amount of money.

A quick background shows that Cities and Villages Mutual Insurance Company (CVMIC), incorporated by the Wisconsin Insurance Commissioner on September 14, 1987. Menasha was one of the founding members.

2010 was the 18th consecutive year that CVMIC received an A.M. Best rating of excellent. This rating is assigned to companies whose operations have achieved excellent overall performance when compared to the standards established by A.M. Best. A.M. Best has determined that companies that receive an Excellent rating have a strong ability to meet policyholders and other contractual obligations over a long period of time.

This rating is important to CVMIC because of A.M. Best's reputation as the preeminent insurance company rating organization. CVMIC is pleased to receive this rating since there are only a few public entity insurance pools in the country to be so highly rated..

2011 will be a pricing year so our premiums for 2013 and 2014 will be established during this time period. It is a goal of CVMIC to set the rates in advance so the involved communities can properly prepare for the rates. Workers comp rates are expected to remain stable for 2011 as are the auto physical damage rates.

In the area of auto rates municipalities have been impacted by the new state law increasing coverage amounts the same as the general public. CVMIC staff is recommending that we sign a waiver that would eliminate stacking of rates which is increase of coverage amounts because of multiple vehicles. I will be discussing more on that in the near future. We will also be looking closer at coverage for dishonest acts of employees and computer fraud.

Our CVMIC attorney discussed social networking policies for the workplace and the increase in lawsuits involving police departments.

There was a discussion on the new Federal guidelines for the Federal Health Care program. There is a great deal of concern on the responsibility of the employer without clear established guidelines. As of right now there are over 24 new notices that the employer must provide to each employee and family member covered by the end of the year. There are also numerous changes to the Flex plan coverage that we participate in as it applies to over the counter drug deductions.

I was happy to accept a bronze plaque for the City representing our receiving a level 2 compliance on the risk assessment survey. It is our desire to elevate that to a level 3 for the next survey.