

ORDINANCE NO. 79-22 FIRST READING: 11.21.22

SECOND READING: 11.28.22

BY: JOHN B. SHEPHERD THIRD READING: 12.12.22

AN EMERGENCY ORDINANCE AUTHORIZING THE MAYOR AND THE DIRECTOR OF PUBLIC SAFETY SERVICE TO ENTER INTO AN AGREEMENT TO RENEW VARIOUS INSURANCE COVERAGES FOR THE CITY OF ROCKY RIVER WITH MCGOWAN INSURANCE COMPANY, INC. FOR THE YEAR 2023 AT A TOTAL COST OF \$286,899.00, AS FURTHER DESCRIBED IN EXHIBIT "A"

WHEREAS: pursuant to Ordinance No. 100-20, City Council determined that it was in the best interest of the City to accept the insurance proposal for various insurance coverages from McGowan Insurance and renewed the coverage in Ordinance 89-21; and

WHEREAS: the Mayor and Director of Public Safety Service have determined it is in the best interest of the City to renew insurance coverages for the City from McGowan Insurance, insurance agents and as underwritten by Zurich American Insurance Company in the amount of Two Hundred Eighty Six Thousand Eight Hundred Ninety Nine Dollars and 00/100 (\$286,899.00), as further described in Exhibit "A".

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF ROCKY RIVER, COUNTY OF CUYAHOGA, STATE OF OHIO:

SECTION 1. That the Mayor and Director of Public Safety Service for the City of Rocky River are hereby authorized to enter into an agreement for various insurance coverage for the City of Rocky River through McGowan Insurance Company, insurance agents and as underwritten by Zurich American Insurance Company in the amount of Two Hundred Eighty Six Thousand Eight Hundred Ninety Nine Dollars and 00/100 (\$286,899.00), as further described in Exhibit "A".

SECTION 2. That the net cost of the purchase of said insurance coverage shall be appropriated and paid from accounts as allocated to various funds of the City.

SECTION 3. That this Ordinance is hereby declared to be an emergency measure necessary for the immediate preservation of public peace, health and safety and for the further reason that the current policy items will expire on January 1, 2023, and provided it receives the affirmative vote of two-thirds (2/3) of all members elected to Council, it shall take effect and be in force immediately upon its passage and approval by the Mayor; otherwise, it shall take effect and be in force from and after the earliest period allowed by law.

PASSED: December 12th 2022 James W. Moran
JAMES W. MORAN
President of Council

PRESENTED
TO MAYOR: December 12th 2022 APPROVED: December 12th 2022

ATTEST:
Anson G. Pease Pamela E. Bobst
SUSAN G. PEASE PAMELA E. BOBST
Clerk of Council Mayor

It is hereby certified that the amount required for the execution of this Ordinance has been lawfully appropriated or authorized or directed for such purpose and is in the treasury or in the process of collection to the credit of the funds described herein free from any obligation or certification now outstanding.

Michael Thomas
City of Rocky River } ss
County of Cuyahoga }

MICHAEL THOMAS
Director of Finance

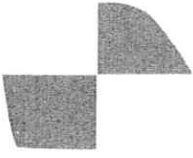
THE UNDERSIGNED CLERK OF THE COUNCIL OF THE CITY OF ROCKY RIVER, OHIO DOES HEREBY CERTIFY THAT THE FOREGOING IS A TRUE AND CORRECT COPY OF ORDINANCE NO. 79-22 ADOPTED BY THE COUNCIL OF SAID CITY ON THE 12th DAY OF December, 20 22 THAT THE PUBLICATION OF SUCH ORDINANCE HAS BEEN MADE AND CERTIFIED OF RECORD ACCORDING TO LAW, THAT NO PROCEEDINGS LOOKING TO A REFERENDUM UPON SUCH ORDINANCE HAVE BEEN TAKEN; THAT SUCH ORDINANCE AND THE CERTIFICATE OF PUBLICATION THEREOF, ARE OF RECORD IN ORDINANCE RECORD NO. 79-22

I, the undersigned clerk of council of the city of Rocky River, State of Ohio, do hereby certify that publication of the foregoing ordinance was duly made by posting a true copy thereof in the lobby of the Rocky River City Hall, in accordance with the charter of Rocky River, commencing on the 12th day of December, 20 22.

Anson G. Pease
Clerk of Council of the City of Rocky River, Ohio

Nakonek/S/Ordinances & Resolutions December 12th 2022
IN WITNESS WHEREOF, I HAVE HEREUNTO SUBSCRIBED MY NAME AND AFFIXED MY OFFICIAL SEAL AND SIGNED MY NAME AND DATE OF RECORD OF

Anson G. Pease
CLERK OF COUNCIL OF THE CITY OF ROCKY RIVER, OHIO



November 16, 2022

To the City of Rocky River and its Related Entities:

The McGowan Companies is pleased to present your 2023 insurance renewal quote. Director Snyder and Coordinator Nakonek have aided with all the lengthy applications and spreadsheets we needed and I want to publicly thank them for their efforts.

When all is said and done, the overall price will increase 8% this year. The bulk of this increase can be attributed to the the following three factors:

- **Replacement Cost Values.** Labor and materials have increased significantly in the past 12 months. A claim that would have cost \$100,000 in 2021, now costs \$115,000, or in many cases, even more. In order to adequately protect the City, the Court, the WWTP and their respective assets, the carrier has increased total property values approx. \$4,000,000 to help keep pace with inflation.
- **Vehicle Additions.** There have been 6 new vehicle purchases and 0 deletions over the past fiscal year. This resulted in an increase in the auto liability and physical damage pricing.
- **Rate Increase.** Like other carriers in the region, Zurich is taking a rate increase to keep pace with increased claims costs and rising lawsuits. Carriers are seeing more suits involving excessive force under law enforcement and civil unrest; large auto liability claims; and other claims. While the City has a solid record, the overall municipal claims experience from 2022 has an impact on all who pool their risk. Zurich's rate increase is approx. 5%.

While no increase is helpful to the City's budget, I hope the City can find pride in knowing that this is a positive renewal. As a reference, the City's overall rate increase is less than half of the industry average. Industry wide, municipalities with good claims history are experiencing rate increases of 15%-25%. Just this past month, nearby municipalities have experienced increases between 16% and 30%. The City was able to beat the industry average through the following measures:

- **Admirable Risk Controls and Loss History.** While many losses are outside of one's control (weather), the City has done a great job instituting and updating safety manuals and training. Director Snyder and Coordinator Nakonek have gone above and beyond to ensure Zurich sees the City, the WWTP, and the Court as a best in class municipality.
- **Excellent Cyber Controls.** The City has met with McGowan multiple times over the past few years to discuss IT infrastructure and risk controls put in place. Many surrounding cities are seeing increases of 40% to 100%. The City's increase was 2%.
- **Volume.** Combining the City, WWTP, and Court benefits all parties from a premium standpoint and increases purchasing power.



The coverages being proposed contain similar limits and deductibles as last year with very two material exceptions – the increase in property values mentioned above and a decrease in the cyber extortion limit. The Cyber carrier is introducing a smaller cyber extortion limit for all its municipalities. Government entities continue to be a target and the cyber insurance market is the tightest we have seen in its existence.

Please note, respective pricing per entity is broken down on the last page of our proposal. Thank you for the opportunity to serve the City.

Best Regards,



Patrick Muscenti, ARM
Vice President, McGowan Insurance



ANNUAL PREMIUM SUMMARY

Coverage Effective Date: January 1, 2023

COVERAGE	EXPIRING	RENEWAL
Package with Zurich for City, WWTP & Court	\$291,544	\$316,313
\$5M Excess with Zurich for City, WWTP & Court	Included above	Included above
\$5M xs \$5M with Zurich for City, WWTP & Court	\$25,000	\$27,500
Cyber Liability with BCS/Lloyd's for City, WWTP & Court	\$23,478	\$23,942
Boat with Travelers for CITY Only	\$5,500	\$5,900
Active Shooter with Lloyds for CITY Only	\$23,000	\$25,400
Grand Total	\$368,522	\$399,055

Price Breakdown Per Entity

	2022	2023
City	\$265,335	\$286,899
WWTP	\$95,815	\$104,144
Municipal Court	\$7,372	\$8,012
TOTAL	\$368,522	\$399,055

REQUIRED UPON BINDING:
Signed TRIA form
Signed Application
Signed Statement of Values
Signed rejection of UM/UIM if applicable