

Insurance Specifications

For

**City of Franklin
Kentucky**

**(Property & Liability and Workers
Compensation Insurance)**

April 1, 2019

INVITATION

Sealed bids will be received by the **CITY OF FRANKLIN, KENTUCKY**, 117 West Cedar Street, Franklin, Kentucky 42134, until 10:00 a.m., Friday, May 10, 2019, for the lines of insurance coverage included in these specifications. Interested parties may bid on any or all of the policies requested.

The insuring period shall begin at 12:01 a.m. on July 1, 2019. Please bid based upon a one year and three year award and state the terms upon which you will not renew for successive years (i.e. loss ratios, etc.) The City would prefer to bid based upon a three year term depending upon pricing and terms. However, the City reserves the right to award a bid based upon any terms that it deems most favorable. Renewals may be granted at the option of the Insured subject to the negotiation of renewal pricing, and terms and conditions being acceptable and approved by the Insured.

GENERAL BID CONDITIONS

1. Bids must be submitted on the **Insurance Bid Forms** provided with these Specifications and copies of sample policies including all endorsements thereto are required to be attached to the bid.
2. Envelopes containing the bids shall be sealed and marked in the lower left corner: **Sealed Bid for Insurance** (indicate which type of insurance bid is enclosed), to be delivered no later than 10:00 a.m. on Friday, May 10, 2019. If the bid is submitted later than this date, it will not be considered.

Bids will be opened at the City of Franklin – City Hall, 117 West Cedar Street, Franklin, Kentucky 42134, at 10:00 a.m., on Friday, May 10, 2019.

Failure to have bid in prior to bid opening will automatically prevent the reading of your bid. The Insured cannot assume the responsibility for any delay as a result of failure of the mails to deliver bids on time. At the specified time, all bids will be opened and read aloud. Any interested parties may attend. No immediate decision will be rendered concerning the proposals submitted. Bids will be tabulated and evaluated and a recommendation will be made to the City Commission for official action.

3. Insurance companies must be “admitted” in the State of Kentucky, or be a Self-Insurance Trust/Pool.
4. If the company to provide insurance is a mutual company, Risk Retention Group, or Purchasing Group, policies must be non-assessable. If using a Self-Insurance Group or Trust, full and complete information must be provided with the bid.
5. Information outlining structure of reinsurance, financial information, and assessment provisions and assessment history, if any, must be included. Further information may be required prior to a proposal being accepted.

6. The bidder is required to examine carefully the Specifications and risks to be covered. It will be assumed that the bidder has made such investigations as to be fully informed as to the extent and character of the hazards and the requirements Of the specifications. **No warranty is made or implied as to information contained in these specifications.**

Bids are to be considered a valid offer by the agent and company to bind and issue the coverages outlined and, when submitted, must not be subject to underwriting approval, or conditions not stated in the bid. **In order to facilitate comparison, bidders are REQUIRED to provide quotes on the six-page Insurance BID FORM provided. THE INSURANCE BID FORM MUST BE FULLY COMPLETED WITH ALL QUESTIONS ANSWERED.** Additional information, different methods of handling, structuring, or pricing coverage and exposures to loss will be welcome, but must be submitted separately **as an optional alternative.** Alternate proposals will be considered but must give complete information including reasons for the alternate and explain any advantage or disadvantages the alternate provides.

All bids will meet the following criteria in addition to other information required upon the bid form:

- a. Name of all proposed carriers
 - b. Policyholder's rating of A-, or higher, as per the current year's edition of Best's Insurance Guide
 - c. Financial rating (minimum of VIII) as per the current edition of Best's Insurance Guide
 - d. If the proposed carrier is a Risk Retention Group, Purchasing Group, or Self-Insured Fund or Trust, the bid must so state, and the provisions in Paragraph 4 of this Invitation must be met. Additional information, satisfactory to the Insured, may be required.
7. All bids shall have an attachment thereto giving a description of services to be supplied by the insurance carrier as part of the insurance coverage (loss prevention, appraisal service, engineering, inspection, etc.). A brief description of claims adjustment service also shall be included. Information on the location and staff to provide these services must also be shown.
 8. In addition to furnishing annual loss histories, all bidders must agree, if required, to furnish a quarterly report of all claims, including, but not necessarily limited to, such information as to the date of accident, claimant's name, amount paid, and reserves outstanding.
 9. Bidder agrees that the policies will be endorsed that in the event of cancellation or non-renewal, ninety (90) days notice will be given. This notice shall not apply to non-payment of premium.

10. **CITY OF FRANKLIN, KENTUCKY** will make the Award as soon as practicable and reserves the sole right to waive defects and informalities in proposals and select the proposal of insurance and/or the agent they deem to be in their overall best interest, with consideration given to price, coverage, and other factors considered. The Insured also reserves the right to reject any or all bids, when such rejection is deemed in the Insured's best interest. In the case of identical bids, the City of Franklin, Kentucky reserves the right to select and to award the contract by whatever method it chooses. Personal interviews with the bidders may be requested.

SPECIAL CONDITIONS:

1. All bids shall be valid for a period of sixty (60) days from the bid opening date. A bidder may withdraw his bid after it has been submitted only if a written request is submitted and received prior to acceptance.
2. It is to be understood that the bidder, if awarded an order or contract, agrees to protect, defend, and save harmless the CITY OF FRANKLIN, KENTUCKY and its representatives from any suits or demands for payment that may be brought against it for the use of any patented material, process, article, or device that may enter into the manufacture, construction, or form a part of the work covered by either order of contract; and the bidder further agrees to indemnify and save harmless the CITY OF FRANKLIN, KENTUCKY and its representatives from suits or actions of every nature and description brought against it for, or on account of, any injuries or damages received or sustained by any party or parties by, or for any of the acts of contractors, his servants or agents.
3. No bid can be corrected, altered, or signed after being opened. All prices and quotations must be in ink or typewritten. No pencil figures will be accepted. Mistakes are to be crossed out and corrections inserted adjacent thereto and initialed by the person signing the bid.
4. Payment Options. The City would prefer payment to be made in either two or four equal installments. However, the City would request that the quotes include the following payment alternatives; a) payment in full at the beginning of the term with alternative; b) payment in two equal installments, one at the beginning of the term and the second at the beginning of the next calendar year; and c) payment in four equal quarterly installments

CRITERIA TO BE USED IN PLACEMENT OF ACCOUNT AND METHOD TO BE USED FOR SELECTION OF CARRIER AND AGENT:

City staff will evaluate bids and interview agencies if necessary, and present a recommendation to the Franklin City Commission for official action.

Awarding of our account may not be made based on price alone. Selection of a carrier and an agent will be based on a combination of the following criteria:

1. Regarding the specifications:

- Compliance with specifications and presentation of the bid on the Insurance Bid Form included
- Any exceptions to our coverage requirements
- Additional suggestions or ways to improve our insurance coverage or handling of the account that would be in our best interest

2. Regarding price:

- The total price, including all applicable state and city taxes, if any, for all coverages
- Reporting and payment options available as stated herein

3. Regarding the agent/broker/company:

- The agent/broker/company's professional training, experience, and background with accounts of the nature of ours
- Nature of service and assistance, beyond account placement, that the agent is qualified to provide and will make available to us
- The nature and history of the agent's facilities for service and the qualifications of the support staff

If additional information is required, please contact:

**Shaunna Cornwell
City of Franklin**

FAX (270) 586-9419

Email – shaunna.cornwell@franklinky.org

All requests must be in writing

PROPERTY

Blanket Building(s) and Contents of \$57,625,339.00 (per Statement of Values attached including the City dam) including:

- Agreed Amount Endorsement
- Replacement Cost Buildings and Contents.
- Coverage Form: Minimum of Insurance Services Office Form C 24729B (5/99)
- Causes of Loss: Minimum of Insurance Services Office Special Form CP 10 30
- Earthquake for \$10,000,000 Sub-Limit with no co-insurance and including Masonry Veneer with coverage also extended to Extra Expense and Foundations. The Earthquake insuring agreements shall clearly state that 100% of the limit of coverage for Earthquake shall be available to the City of Franklin, Kentucky in the event of any Earthquake loss.
- Flood for \$10,000,000 Sub-Limit with no co-insurance and with coverage also extended to extra expense.

\$57,625,339.00 Blanket amount of Insurance on Building and Contents (including dam) Contents to include **Property of Others** in addition to Insured's property, including property leased from others for which we are required to insure

Ordinance and Law Coverage:

- Coverage A: Include in Insuring Agreements – Building Limits
- Coverage B: Demolition \$250,000
- Coverage C: Increased Costs of Construction – 10% of building value

Blanket Extra Expense: \$500,000 any one occurrence

Backup of Sewers and Drains - \$50,000

Outdoor Property - \$25,000

Signs – Included in Building Limit

Pollution Cleanup from Property Losses - \$50,000

Valuable Papers – Cost of Research - \$250,000

Fine Arts Coverage - \$25,000

Money and Securities

\$10,000 - On Premises

\$ 3,000 – Off Premises

Deductible Amount: \$1,000 All Losses, Per Occurrence except Flood and Earthquake, which should include a \$25,000 deductible.

Please provide optional quotes for \$2,500 deductible.

INLAND MARINE

<u>Property Type</u>	<u>Limits</u>
Total Scheduled Equipment	\$1,482,589
General Office Equipment	\$248,479
Grounds Maintenance Equipment	\$457,708
Causes of Loss — Special Form	
Actual Cash Value settlement provisions	
Deductible	\$ 1,000
Please provide optional quotes with a \$2,500 deductible.	

CRIME COVERAGE

<u>Coverage Type</u>	<u>Limits</u>
Forgery or Alteration	\$ 250,000
Theft Disappearance & Destruction of Money and Securities	\$ 250,000 IN \$ 250,000 OUT
Public Employee Dishonesty — per loss	\$ 250,000
Additional Public Employee Dishonesty coverage for City Manager and City Finance Director	\$1,000,000
Deductible (per occurrence)	\$ 1,000
Please provide optional quotes with \$2,500 deductible.	

GENERAL LIABILITY

Coverage Form: Minimum of Insurance Services Office Form LB24730c (5/99)

General Aggregate Limit	\$3,000,000
Products/Completed Operations Limit	\$3,000,000
Each Occurrence Limit	\$3,000,000
Personal and Advertising Limit	\$1,000,000
Fire Damage Limit	\$ 50,000
Medical Expense Limit	\$25,000
Deductible (BI/PD Per Occurrence)	\$ 1,000
General Liability coverage to be provided on a “no audit” basis.	
The aggregate limit needs to apply on a per location basis.	
Include employee benefits liability with the following limits and deductible:	
Each Claim Limit	\$1,000,000
Aggregate Limit	\$2,000,000
Per Claim Deductible	\$1,000

PUBLIC OFFICIALS LIABILITY

Each Claim Limit	\$3,000,000
Aggregate Limit	\$3,000,000
Per Claim Deductible	\$ 5,000

Employment Practices Liability should be included in this coverage form or by endorsement.

Please provide an optional quote for a \$ 10,000 deductible.

LAW ENFORCEMENT LIABILITY

Each Claim Limit	\$3,000,000
Aggregate Limit	\$3,000,000
Per Claim Deductible	\$ 5,000

Please provide an optional quote for a \$10,000 deductible.

COMMERICAL AUTOMOBILE

Each Accident Combined Single Limit (Symbol 1)	\$3,000,000
Uninsured Motorist (Symbol 2)	\$1,000,000
Underinsured Motorist (Symbol 2)	\$1,000,000
Personal Injury Protection	\$ 10,000

Comprehensive/Collision (Symbols 2 & 8)

Deductibles:

Comprehensive	\$ 1,000
Collision	\$ 1,000

Please provide all physical damage coverages on fleet automatic basis.

Please provide optional quotes for \$2,500 comprehensive and collision deductible.

UMBRELLA LIABILITY

Coverage is to be quoted under a true Umbrella Form (not straight excess) with limits of \$2,000,000 Each Occurrence and Annual Aggregate Limit subject to no more than a \$10,000 Retention.

First Dollar Defense

The premium is to be on a “Flat, Non-Auditable” basis and should be a “pay on behalf of” and not “indemnity” basis.

UNDERLYING INSURANCE:

- Coverages as included in these Specifications
- Employer’s Liability of \$4,000,000

OPTIONAL LIMITS:

- On Bid Form show additional cost to increase the Umbrella limit to:
 - \$ 3,000,000
 - \$ 4,000,000
 - \$ 5,000,000

IMPORTANT:

- In bid form, please confirm that the coverages and limits outlined in these Specifications are adequate for the underlying requirements of your Umbrella.

EQUIPMENT BREAKDOWN

<u>Coverages</u>	<u>Limits</u>
Property Damage	\$ 57,625,339
Expediting Expenses	\$ 250,000
Business Income	\$ 250,000
Extra Expense	Combined with Business Income
Spoilage	\$ 250,000
Off Premises Service Interruption	\$ 250,000
Ammonia Contamination	\$ 250,000
Water Damage	\$ 250,000
Hazardous Substances	\$ 250,000
Ordinance or Law	\$ 250,000
Media	\$ 2,500
Brands and Labels	\$ 25,000
Newly Acquired Locations	\$ 1,000,000

Equipment Breakdown Deductibles are:

*Property Damage = \$1,000

*Business Income = 24 Hours

*Extra Expense = Combined with Business Income

*Spoilage = 10% of Loss/2500 Min.

* Off Premises Service Interruption = 24 Hours

*Ammonia Contamination = Combined with Property Damage

UNDERWRITING INFORMATION SUMMARY

GOVERNMENTAL SUPPLEMENT

1. Type of entity:

- | | | | |
|-------------------------------------|---------|--------------------------|-----------------|
| <input checked="" type="checkbox"/> | City | <input type="checkbox"/> | School district |
| <input type="checkbox"/> | College | <input type="checkbox"/> | Water district |
| <input type="checkbox"/> | County | <input type="checkbox"/> | Other: |

2. a. Type of government: City Manager

- | | | |
|----|-----------------------------------|------------|
| b. | Date of incorporation: | 11-02-1820 |
| c. | Date of adoption of City charter: | 08-03-1880 |

3. Check all services provided.

- | | | | |
|-------------------------------------|-----------------------------|-------------------------------------|--------------------|
| <input type="checkbox"/> | Airport | <input type="checkbox"/> | Marina(s) |
| <input type="checkbox"/> | Alcohol/Drug Rehab. Clinics | <input type="checkbox"/> | Mass Transit/Buses |
| <input type="checkbox"/> | Animal Control | <input type="checkbox"/> | Museum(s) |
| <input checked="" type="checkbox"/> | Cemetery | <input type="checkbox"/> | Paramedics--Rescue |
| <input type="checkbox"/> | Electricity | <input type="checkbox"/> | Parks/Recreation |
| <input type="checkbox"/> | Fairs, Carnivals | <input type="checkbox"/> | Refuse Collection |
| <input type="checkbox"/> | Fiber Optic Service | <input checked="" type="checkbox"/> | Sanitary Sewers |
| <input type="checkbox"/> | Fire Department | <input type="checkbox"/> | Schools |
| <input type="checkbox"/> | Gas | <input checked="" type="checkbox"/> | Storm Sewers |
| <input type="checkbox"/> | Golf Course | <input type="checkbox"/> | Toll Roads/Bridges |
| <input type="checkbox"/> | Hospitals/Clinics | <input checked="" type="checkbox"/> | Water |
| <input type="checkbox"/> | Landfill | <input type="checkbox"/> | Zoo(s) |
| <input checked="" type="checkbox"/> | Law Enforcement | <input type="checkbox"/> | Library (ies) |

4. Exposure Indexes

- | | |
|------------------------------|--------------|
| Dams | 1 |
| Mile of paved streets: | 47 |
| Miles of unimproved streets: | less than .5 |
| Miles of paved alleys: | .85 |
| Miles of unimproved alleys: | 0 |
| Miles of sidewalks: | 10 |
| Miles of sanitary sewers: | 89 |

Miles of storm sewers:	40
Number of manholes:	Approximately 1330
Number of acres of parks:	N/A
Number of playgrounds:	N/A
Population:	8,700
Area in square miles:	34
Number of fire stations:	1
Number of police stations:	1
Number of sanitation customers:	
Employees	74
Number of police officers:	24
Number of firemen:	0

5. Water/Sewer

Number of water consumers:	5,300
Number of sewer customers:	4,500
Daily average water consumption, in gallons	285 per household per day
Miles of water mains:	123
Miles of sewer lines:	89

6. Income and Expenditures for last 3 years:

Year	Income	Expenditures
FY 2015-2016	\$16,497,443	\$12,760,394
FY 2016-2017	\$20,122,044	\$17,311,524
FY 2017-2018	\$15,246,760	\$13,039,636

7. Estimated Payrolls by Class

Class Code	Description	# of Employees	Estimated Annual Payroll
8810-01	Office Employees	22	\$917,000
8820	City Attorney	1	\$140,000
7720	Police Officers	24	\$1,213,000
9410-01	Municipal Employees	2	\$99,000
5506	Street/Road Construction	9	\$318,000
7520	Waterworks Operations	10	\$485,000
7580	Sewage Plant Operations	3	\$147,000
6306	Sewer Construction	3	\$159,000
Total		74	\$3,478,000

8. Law Enforcement

Describe Firearms Policy – Officers of the Franklin Police Department are required to carry department issued weapons and ammunition or approved weapons and ammunition unless prior approval is given by the Chief or Captain. Officers are required to qualify prior to any use or possession of firearms on duty. Additionally, each officer is required to demonstrate firearms proficiency annually with their issued weapons or authorized weapons as a condition of continuing use and possession of such firearms. All scores are recorded and maintained by the designated Firearms Training Officer at the Franklin Police Department.

9. Liability Limitation

a. Are you provided with immunity or with limited liability by a state statute? [] Yes [X] No

10. Members of City Commission

Larry Dixon — Mayor

City Commissioners:

Jamie Powell

Wendell Stewart

Brownie Bennett

Herbert Williams

EMPLOYMENT PRACTICES LIABILITY

UNDERWRITING INFORMATION

1. Employees

a. Number: full-time 72 part-time: 2

C. Have you entered into any employment contracts with current or previous employees?

Yes [X] No []

If "yes" please provide additional details. City Manager, City Attorney, Finance Director

2. Human Resources Procedures

Do you have formalized plans or procedures for the following:

	<u>Yes</u>	<u>No</u>
a. Handling complaints of discrimination?	X	
b. Disciplining employees?	X	
c. Terminating employees?	X	
d. Using outplacement facilities?		X
e. Testing or screening applicants or new hires?	X	
f. Distributing employee handbooks?	X	
	<u>Yes</u>	<u>No</u>
g. Conducting periodic performance evaluations?	X	
h. Implementing a sexual harassment policy?	X	
i. Orienting new employees?	X	
j. Assisting employees afflicted with AIDS or other communicable diseases?	X	
k. Accommodating the disabled under the Americans With Disabilities Act?	X	
l. Administering Family Medical Leave?	X	

3. Administrative Hearings

Has the applicant been involved in any charges, inquiries, investigations, grievance, or administrative hearings before any of the following agencies or acts in the past 5 years in which the applicant's conduct was at issue?

	<u>Yes</u>	<u>No</u>
a. Fair Labor Standards Act		X
b. Title VII of the Civil Rights Acts of 1964		X
c. Civil Rights Act of 1991		X
d. Age Discrimination in Employment Act		X
e. Americans With Disabilities Act		X

- f. National Labor Relations Board X
- g. Equal Employment Opportunity Commission X
- h. Department of Labor X
- i. Similar state or local governmental agencies X

4. Staff Reductions

Are any plant, branch, facility, or office closings or layoffs planned within the next 2 years? Yes [] No [X]

If "Yes," provide details.

Are any significant (i.e., 10 percent or more) staff reductions planned at any individual location with 50 or more employees? Yes [] No [X]

If "Yes," provide details.

5. Terminations

How many employees and officers have been terminated in the past 3 years?

Employees: 1 (during probationary period) Officers: 0

Are terminations formally reviewed by senior management or outside counsel?

Yes [X] No []

**IMPORTANT: THIS FORM IS REQUIRED TO BE USED IN SUBMITTING
YOUR BID. FAILURE TO DO SO WILL DISQUALIFY YOUR BID.**

INSURANCE BID FORM

PAGE 1

Coverage	Annual Cost	Carrier	A. M. Best Rating	Will you write this coverage Stand alone? Indicate:
Property				
One Year Bid	\$			Yes <input type="checkbox"/> No <input type="checkbox"/>
Three Year Bid	\$			Yes <input type="checkbox"/> No <input type="checkbox"/>
Inland Marine				
One Year Bid	\$			Yes <input type="checkbox"/> No <input type="checkbox"/>
Three Year Bid	\$			Yes <input type="checkbox"/> No <input type="checkbox"/>
Crime				
One Year Bid	\$			Yes <input type="checkbox"/> No <input type="checkbox"/>
Three Year Bid	\$			Yes <input type="checkbox"/> No <input type="checkbox"/>
General Liability				
One Year Bid	\$			Yes <input type="checkbox"/> No <input type="checkbox"/>
Three Year Bid	\$			Yes <input type="checkbox"/> No <input type="checkbox"/>

INSURANCE BID FORM

PAGE 3

1. Are there any exceptions from the Bid Specifications:
If yes, describe in detail. (Use a separate sheet if necessary.) Yes No

2. OPTIONS/SUPPLEMENTAL INFORMAITON

- 1) What is the annual premium change to amend the deductible on property (except for earthquake and flood) to:

• \$ 2,500 per Occurrence: Deduct \$ _____

- 2) What is the annual premium change to amend the deductible on inland marine to:

• \$ 2,500 per Occurrence: Deduct \$ _____

- 3) What is the annual premium change to amend the deductible on the crime coverage to :

• \$ 2,500 per Occurrence: Deduct \$ _____

- 4) What is the annual premium change to amend the deductible on the public officials liability to:

• \$ 10,000 per Occurrence: Deduct \$ _____

- 5) What is the annual premium change to amend the deductible on the law enforcement liability to:

• \$ 10,000 per Occurrence: Deduct \$ _____

- 6) What is the annual premium change to amend the automobile comprehensive and collision deductibles to:

• \$ 2,500 per Occurrence: Deduct \$ _____

INSURANCE BID FORM

PAGE 4

7) On the umbrella, what is the additional annual cost to increase the limit from

\$2,000,000 to \$ 3,000,000? \$ _____

\$2,000,000 to \$ 4,000,000? \$ _____

\$2,000,000 to \$ 5,000,000? \$ _____

\$2,000,000 to \$10,000,000? \$ _____

Please list any special requirements to provide the umbrella, if different from the coverage/limits in these specifications.

INSURANCE BID FORM

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SERVICE

Who will be the primary contact and have responsibility for the following: Include addresses and phone/fax numbers.

Technical Questions:

Standard Service Requests:

Claims:

Loss Prevention/Safety:

LOSS PREVENTION:

Comment on the nature, scope, and frequency of loss prevention services provided by the carrier: _____

Attach information on the agency and/or company providing the quote.

Describe in detail the services and “value added” functions the company/agent/agency will provide for our account. This section will be considered when evaluating and selecting the agent/company that will be awarded the account in addition to the cost and meeting other conditions in the specifications. *Attach additional pages if needed.*

INSURANCE BID FORM

PAGE 6

Agency Submitting Bid:

Individual Responsible for Account:

Address:

Errors & Omissions Carrier and Policy Number:

Phone:

Fax:

Email:

I certify that this bid meets or exceeds the Bid Specifications, except as noted in Question 1 of the INSURANCE BID FORM. I further affirm that I have full binding authority for the coverages as quoted and can, upon notification of the Award, place coverages in effect.

Date

Agent

IMPORTANT: ALL SIX (6) PAGES OF THIS INSURANCE BID FORM MUST BE INCLUDED WITH YOUR BID AND COMPLETELY FILLED OUT WITH THE REQUESTED INFORMATION AND SIGNED. BE SURE TO INCLUDE COPIES OF ALL INSURING AGREEMENTS AND APPLICABLE ENDORSEMENTS.