

TOWN OF MEDFIELD
 FY 2020
 BUDGET REQUEST
SUMMARY SHEET

DEPARTMENT **Liability Insurance**

ORGANIZATION CODE **01-945-2**

SUMMARY:

FY2019
Appropriation

FY2020
Request

TOTAL OPERATIONS	\$	<u>217,065</u>	\$	<u>235,500</u>	-
TOTAL BUDGET	\$	<u><u>217,065</u></u>	\$	<u><u>235,500</u></u>	-

COMMENTS:

Please see attached explanation

10/26/2018
11:14:58

TOWN OF MEDFIELD
FY2020 DEPARTMENTAL BUDGET REQUEST
WORKSHEET

	FY2018 EXPENDED ACTUAL	FY2019 APPROPRIATED AMOUNTS	FY2020 BUDGET REQUESTS	WARRANT COMMITTEE RECOMMENDS	FY 2020 APPROPRIATED AT TOWN MTG
LIABILITY INSURANCE					

LIABILITY INSURANCE					

LIABILITY INSURANCE					

019452 575000 PROP & LIAB INS PREMIUMS	144,492.00	179,065.00	<u>197,500</u>		
019452 575010 FIRE & AMBULANCE INSURANCE	22,000.00	30,000.00	<u>30,000</u>		
019452 575020 INDEMNIFICATION	243.00	8,000.00	<u>8,000</u>		
TOTAL LIABILITY INSURANCE	166,735.00	217,065.00	<u>235,500</u>		
TOTAL FY2020 DEPARTMENTAL BUDGET REQUEST WORKSHEET	166,735.00	217,065.00	<u>235,500</u>		

FY 20 Liability Insurance 01-945=2

The Town purchases property and casualty insurance and other group coverages from the Massachusetts Interlocal Insurance Association (MIIA), a municipal insurance pool offered through the Massachusetts Municipal Association (MMA). These coverages includes property, casualty, boiler, fleet automobile, liability, and school officials, law enforcement and public official's liability. A breakdown of the fy19 premiums by category is attached.

MIIA issues participation and reward credits to members based on the group's performance, on the length of time a community has belonged to the MIIA program, and on how many types of coverages it purchases through MIIA. Unfortunately, most of these credits are not released to the communities until the Spring or Summer and so are not very useful in preparing the annual operating budgets. If we are notified of any credits prior to the Town Meeting we will reduce the budget accordingly. Credits received after the Town Meeting will be used to reduce fy20 premium payments.

We met recently with our MIIA representative and were advised that our property and casualty five-year loss ratios were good, but the added valuation to bring our major buildings up to replacement cost levels will add about \$16,813 to our premium levels (see attachments).

For fy19 to date we have paid out a total of \$181,354 (see attached breakdown). Netting out applicable credits from MIIA for the 3% prepayment discount and MIIA Rewards credits, not applied to workers' compensation premiums, the actual amount paid is \$164,800. In addition, we will be paying a deductible of \$7,500 for legal costs associated with the defense of the police chief, who was accused of violating an police applicant's civil rights for not hiring him. The charges were dismissed, but the Town was still liable for the legal defense deductible. Initially, public officials, law enforcement and school board coverages were provided at no cost, but as claims have increased in recent years, everywhere, not just in Medfield, so we now have to pay \$35,683 for these coverages. This year MIIA added cyber liability coverage to our insurance coverages with no additional premiums, at least for now.

In addition to the coverages purchased through MIIA the Town purchases medical and lost wage coverage for fire and ambulance employees. The premium for this coverage for fy19 is \$22,941. We budgeted \$30,000 for this coverage. The other item, Indemnification, budgeted at \$8,000, is for payment of work-related medical bills for retired police officers. To date, we have not paid out any amounts for the indemnification of retired police officers.

Uniformed Police and Fire employees are exempt from Worker's Compensation coverage and are subject to Massachusetts General Laws, Chapter 111F statutory provisions. To date the Town has elected to purchase medical claims and lost pay claims for fire department employees not covered by workers' compensation and to self-insure for police department employees, but may want to consider purchasing a separate insurance policy or adding to the fire department policy to provide claims protection for police, as well. This distinction came about because the fire department was traditionally a call department and call firefighters who were injured in the course of their fire department duties could not recover lost wages from their private employment. With more and more conditions now

considered work-related, it probably makes sense to also provide insurance coverage for police department employees, at least for medical bills.

While the actual payments for fy19 are less than the amount budgeted, it is primarily because of the MIIA credits we receive. We do have one outstanding credit in the amount of \$12,623 available at present, which can be applied to the fy20 billing. Since any other property and casualty credits are not known at this time, we should not try to estimate additional credit amounts. As a result, the budget request for fy20 is based on premiums, without taking future credits into account.

Budget Calculation:

Fy19 Property and Casualty premium billing	\$188,354
Estimated additional premium from updated building valuations	\$ 16,813
Available credit as of January 1, 2019	(\$ 12,623)
Additional premiums (new vehicles, equipment, etc.)	<u>\$ 5,000</u>
Total Property & Liability premiums	\$197,544
Fire and ambulance insurance	\$ 30,000
Indemnification	<u>\$ 8,000</u>
TOTAL fy20 REQUEST (rounded down)	\$235,500

The table below gives the appropriated amounts for the past several years and the budget request for fy19 for the three types of coverages discussed in the paragraph above.

Property & Casualty Insurance Appropriations
(in thousands)

Coverage	fy14	fy15	fy16	fy17	fy18	FY19*	FY20* REQUEST	Inc/(Dec) \$/%
Property/Casualty	\$120	\$135	\$170	\$168	\$170	\$179.	\$197.5	\$18.5/10%
Fire/Emt/Med. /Disab.	\$15	\$17.5	\$18	\$19	\$20	\$22	\$30	\$0 / 0%
Police Indemnification	\$10	\$8	\$8	\$8	\$8	\$8	\$8	\$0 / 0%
Totals	\$145	\$160.5	\$196	\$195	\$198	\$217.	\$235.5	\$18.5/8.5%

*rounded



MIIA Member Services

15 Cabot Road
 Woburn, MA 01801-1003
 TEL (800) 526-6442
 FAX (781) 376-9907
 www.emiia.org

August 23, 2018

Michael Sullivan
 Town Manager
 Town of Medfield
 459 Main Street
 Medfield, MA 02052

RE: MIIA Property & Casualty Group, Inc.
 FY19 - Revised

Dear Michael:

As requested, the premium breakdown is as follows:

	<u>Water</u>	<u>Sewer</u>	<u>School</u>	<u>Parks & Rec</u>	<u>Town</u>	<u>Total</u>
Property	\$460	\$1,845	\$34,192	\$505	\$14,802	\$51,804
General Liability	\$8,813	\$0	\$12,407	\$0	\$16,062	\$37,282
Boiler & Machinery	\$61	\$243	\$4,511	\$67	\$1,953	\$6,835
Auto	\$1,881	\$614	\$2,905	\$1,345	\$23,836	\$30,581
Inland Marine	\$915	\$391	\$294	\$310	\$18,260	\$20,170
Law Enforcement					\$8,158	\$8,158
Public Officials					\$15,552	\$15,552
School Board			\$10,973			\$10,973
SUB-TOTAL	\$12,130	\$3,093	\$65,282	\$2,227	\$98,623	\$181,355
Workers' Comp	\$5,571	\$5,529	\$193,575	\$8,943	\$42,336	\$255,954
TOTAL:	\$17,701	\$8,622	\$258,857	\$11,170	\$140,959	\$437,309

Please note that the premiums do not include any unprocessed requested changes.

If you have any questions or we can be of further assistance, please give us a call.

Sincerely,

Susan Nadile
 Account Manager

cc: Adriene Magnolia, Senior Account Executive

I:\Premium Breakdown\2018-2019\Medfield.doc



MIIA Property and Casualty Group, Inc.
 Department 530, P.O. Box 4106
 Woburn, MA 01888-4106
 PH: 800-526-6442

Property, Casualty and
 Workers' Compensation
 Invoice

To:	Town of Medfield 459 Main Street Medfield, MA 02052	Invoice Number: 22936	Invoice Date: 07/01/2018
		Policy Number: MED00067-18	Invoice Total: \$397,776

CONTRACT INFORMATION

Type of Coverage:	Group Pool Coverages
Insurance Company:	MIIA Property And Casualty Group, Inc
Effective Date:	07/01/2018
Expiration Date:	07/01/2019
Transaction:	Renewal
Payment Due Date:	08/01/2018

CONTRIBUTION AND CREDITS

	AMOUNT
Property, Casualty, and Professional Contribution	\$181,354
Workers' Compensation Contribution	\$255,954
Less 3% prepayment discount	(\$13,119)
SUB-TOTAL	\$424,189
Rewards Credit	(\$26,413)
TOTAL	\$397,776

MAKE CHECKS PAYABLE TO: MIIA Property and Casualty Group, Inc.
 SEND TO: Department 530, P.O. Box 4106, Woburn, MA 01888-4106

Quarterly Payment Schedule - 3% prepayment discount not available if paid in installments

First Quarter:	07/31/2018	35%	Third Quarter:	12/31/2018	25%
Second Quarter:	09/30/2018	25%	Fourth Quarter:	03/31/2019	15%

Please retain one copy for your records and return the other with your payment. Thank you for your continued support of the MIIA programs.



MIIA Property and Casualty Group, Inc.
 Department 530, P.O. Box 4106
 Boston, MA 02206-4106
 1-800-882-1498

Property & Casualty Credit Invoice

TO: Medfield, Town of 459 Main Street Medfield, MA 02052	INVOICE NUMBER 201700672505	INVOICE DATE 10/12/2018
	POLICY NUMBER MED00067-17	INVOICE TOTAL \$(12,623)

POLICY INFORMATION	
Type of Policy:	Group Pool Coverages
Insurance Company:	MIIA Property and Casualty Group, Inc.
Transaction:	Credit Billing
Transaction Date:	10/12/2018

CHARGES	AMOUNT
Additional Participation Credit	\$(12,623)
CREDIT	
TOTAL	\$(12,623)

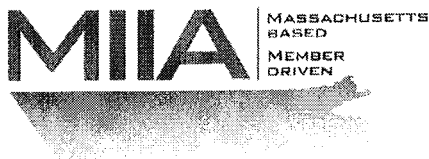


Deductible Invoice

A Property and Casualty Group, Inc.
 Department 530, P.O. Box 4106
 Woburn, MA 01888-4106
 1-800-882-1498

TO: Medfield, Town of 459 Main Street Medfield, MA 02052	INVOICE NUMBER 20159067501759	INVOICE DATE 10/12/2018
	POLICY NUMBER MED00067-15	INVOICE TOTAL \$7,500
POLICY INFORMATION		
Type of Policy:	Group Pool Coverages	
Insurance Company:	MIIA Property and Casualty Group, Inc.	
Transaction:	Deductible Billing	
Transaction Date:	10/12/2018	
Payment Due Date:	11/12/2018	
CHARGES		AMOUNT
Re: Claim # M16PO92962:001 Claimant: Starr, Matthew MIIA has processed payments for the above referenced claim. The total payments to date for defense and indemnification is \$13,126.78. Your deductible currently due is shown to the right. Please contact MIIA Claims, at 1-800-526-6442 if you have any questions on this matter.		\$7,500
MAKE CHECKS PAYABLE TO: MIIA Property and Casualty Group, Inc. SEND TO: Department 530, P.O. Box 4106, Woburn, MA 01888-4106		TOTAL \$7,500

PLEASE RETAIN ONE COPY FOR YOUR RECORDS AND RETURN THE OTHER WITH YOUR PAYMENT



MIIA Member Services

15 Cabot Road
Woburn, MA 01801-1003
TEL (800) 526-6442
FAX (781) 376-9907
www.emia.org

October 1, 2018

Michael J. Sullivan, Town Manager
Town of Medfield
459 Main Street
Medfield, MA 02052

RE: Updated Property Valuations

Dear Mike,

As a service to our members, we provide updated property valuations to ensure proper coverage. MIIA provides property coverage on a blanket basis. Our risk management team completed building valuations on several of your properties. Attached for your review is a comparison of the current values and the updated values.

Please be advised your MIIA contract requires the buildings to be insured to a 100% Replacement Cost. The attached updated values represent an estimated additional premium of \$16,813. As you will note these updates are not inclusive of all your locations. The updated blanket limit for all locations is recommended to be increased to \$156,626,227.

Enclosed are copies of the valuations for your review. Please return the enclosed acceptance within the next 30 days. If there are any questions, please contact me or your Account Executive. Thank you for your support of the MIIA Program.

Best Regards,

A handwritten signature in cursive script, appearing to read 'Susan', is written over a horizontal line.

Susan Nadile, CISR
Account Manager
MIIA Member Services



**TOWN OF MEDFIELD
VALUATION UPDATE
10/1/2018**

Loc. #	Location/Description	Address	Current Value	Updated Value	Difference
30	Town Garage	55 North Meadows Road	\$7,577,025	\$7,648,900	\$71,875
32	Public Safety Building Incl. Radio Tower/Sinal Equip. & Solar Panels	112 North Street	\$15,606,000	\$15,606,000	No Change
36	Kingsbury High School	88 R South Street	\$29,423,753	\$44,027,200	\$14,603,447
37	Dale Street School	7 Dale Street	\$8,267,169	\$7,663,200	-\$603,969
38	Blake Middle School	Pound Street	\$18,750,966	\$25,896,200	\$7,145,234
39	Memorial School	59 Adams Street	\$8,317,869	\$13,394,800	\$5,076,931
41	Wheelock School	17 Elm Street	\$10,615,864	\$14,377,700	\$3,761,836

TOTAL \$98,558,646 \$128,614,000 \$30,055,354

Total Additional Premium \$16,813

FY20 50%
 FY21 55%

Accepted By:

Signature:

Michael J. Sullivan

Title:

TOWN ADMINISTRATOR

Date:

11/28/2018

Note

(1) MIIA property contract requires 100% replacement cost valuation to retain blanket coverage.

10/26/2018
11:29:03

TOWN OF MEDFIELD
FIVE YEAR HISTORICAL COMPARISON
FY2015-FY2019

	FY2015 ACTUAL EXPENDED	FY2016 ACTUAL EXPENDED	FY2017 ACTUAL EXPENDED	FY2018 ACTUAL EXPENDED	FY2019 APPROPRIATED AT TOWN MTG
LIABILITY INSURANCE					

LIABILITY INSURANCE					

LIABILITY INSURANCE					

019452 575000 PROP & LIAB INS PREMIUMS	131,932.49	117,982.00	146,959.19	144,492.00	179,065.00
019452 575010 FIRE & AMBULANCE INSURANCE	18,124.00	19,576.00	19,725.00	22,000.00	30,000.00
019452 575020 INDEMNIFICATION	.00	.00	.00	243.00	8,000.00
TOTAL LIABILITY INSURANCE	150,056.49	137,558.00	166,684.19	166,735.00	217,065.00
TOTAL LIABILITY INSURANCE	150,056.49	137,558.00	166,684.19	166,735.00	217,065.00

11/05/2018 16:08
1163mvio

|TOWN OF MEDFIELD
|YEAR-TO-DATE BUDGET REPORT

VENWAR-10/30, PAYRLL-11/1, CASHREC-9/30

|P 57
|glytdbud

FOR 2019 05

ACCOUNTS FOR:	ORIGINAL	TRANFRS/	REVISED			AVAILABLE	PCT
945 LIABILITY INSURANCE	APPROP	ADJSTMTS	BUDGET	YTD ACTUAL	ENC/REQ	BUDGET	USED

019452 LIABILITY INSURANCE							

019452 575000 PROP & LIAB INS PREM	179,065	.00	179,065.00	164,820.00	.00	14,245.00	92.0%
019452 575010 FIRE & AMBULANCE INS	30,000	.00	30,000.00	.00	.00	30,000.00	.0%
019452 575020 INDEMNIFICATION	8,000	.00	8,000.00	.00	.00	8,000.00	.0%
TOTAL LIABILITY INSURANCE	217,065	.00	217,065.00	164,820.00	.00	52,245.00	75.9%
TOTAL LIABILITY INSURANCE	217,065	.00	217,065.00	164,820.00	.00	52,245.00	75.9%
TOTAL EXPENSES	217,065	.00	217,065.00	164,820.00	.00	52,245.00	