	CITY OF COFFEYVILLE **BOARD OF COMMISSIONERS AGENDA ITEM**	
MEETING DATE	December 20, 2012	
RESOLUTION OR ORDINANCE NUMBER	R-12-123	
AGENDA TITLE	A resolution authorizing the issuance of a purchase order for airport liability insurance coverage in the sum of $1,725 to Coffeyville Insurance Associates, agent for ACE Property & Casualty Company.	
REQUESTING DEPARTMENT	Finance Department	
PRESENTER	Stephanie A. Richardson, Finance Director	
FISCAL INFORMATION	Cost as recommended:	$1,725
	Budget Line Item:	360-5-000-452
	Balance Available	$1,900
	New Appropriation Required:	[ ] Yes [X] No
PURPOSE	Authorizes issuance of a purchase order for airport liability insurance coverage for the period 1/8/2013 through 1/8/2014.	
BACKGROUND	Staff recently received the renewal quote for our airport liability insurance policy. The coverage and premium amount is the same as last year. If approved, this will be the seventh year coverage has been with ACE Property & Casualty Co.	
SPECIAL NOTES	This insurance coverage goes through a bid process every three years. Using this schedule, we will request bids for next year's coverage. Airport property is insured by our general property and liability insurance coverage that renews May 1, 2013.	
ANALYSIS	This quote is reasonable based on prior year premiums and coverage options.	

PUBLIC INFORMATION PROCESS	N/A
BOARD OR COMMISSION RECOMMENDATION	N/A
STAFF RECOMMENDATION	Staff recommends adoption of the resolution.
REFERENCE DOCUMENTS ATTACHED	Airport Liability Insurance Summary of Coverage Airport Liability Insurance Premium History

RESOLUTION NO. R-12-123

A RESOLUTION AUTHORIZING THE ISSUANCE OF A PURCHASE ORDER FOR AIRPORT LIABILITY INSURANCE COVERAGE IN THE SUM OF $1,725 TO COFFEYVILLE INSURANCE ASSOCIATES, AGENT FOR ACE PROPERTY & CASUALTY COMPANY.

BE IT RESOLVED, by the Board of Commissioners of the City of Coffeyville, KS, that the Finance Director be and is hereby authorized and directed to issue a purchase order for Airport Liability Insurance coverage in the sum of $1,725 to Coffeyville Insurance Associates, agent for ACE Property & Casualty Company, for the policy year January 8, 2013 to January 8, 2014.

Adopted this 20th day of December 2012.

_____
David George, Mayor

ATTEST:

_____
Cindy Price, City Clerk

APPROVED AS TO FORM AND LEGALITY:

_____
Paul Kritz, City Attorney

AVIATION INSURANCE MANAGERS, INC.

Steven V. Neeley · President · 11650 Cleveland Avenue NW, Uniontown, Ohio 44685
Telephone 800-827-4554 · Fax 330-494-8600
www.aimofohio.com

December 12, 2012

RENEWAL QUOTE

ATTENTION: Mr. Adam Gill
COMPANY: Coffeyville Insurance Associates

RE: CITY OF COFFEYVILLE
Renewal of Policy #AAP N02203352 005
Expires January 8, 2013

Thank you for allowing us the opportunity to provide this airport premises legal liability insurance proposal for the City of Coffeyville on your behalf.

We are pleased to present the attached proposal from ACE PROPERTY & CASUALTY INSURANCE COMPANY through it's aviation managers, ACE USA. *ACE PROPERTY & CASUALTY INSURANCE COMPANY holds an A.M. Best Rating of "A+ XV" (Superior)*.

Our Proposal includes the premiums and coverages quoted by the Underwriters along with a summary of coverages.

Again, we appreciate this opportunity and respectfully request your permission to place the Airport Premises Legal Liability Insurance with ACE PROPERTY & CASUALTY INSURANCE COMPANY/ACE USA.

Sincerely,

Steve V. Neeley
President

/det

SUMMARY OF COVERAGES

CITY OF COFFEYVILLE
P.O. Box 1629
Coffeyville, Kansas 67337

Who is an Insured includes elective or appointive officers, members of any board or commission or agency of yours and employees, employees of your boards, commissions or agencies, while acting within the scope of their duties with respect to your "Airport Operations".

I. COVERAGES & LIMIT OF LIABILITY

(A) Combined Single Limit Bodily Injury and Property Damage Legal Liability $1,000,000 Each Occurrence/Offense and in the Aggregate as respects Products/Completed Operations, Personal Injury/Advertising Injury and Malpractice Liability separately.

** (1) Airport Premises Legal Liability Insurance for the Ownership, Maintenance, Use or Provision of premises, services and facilities necessary to the operation of the Airport, but excluding the *DIRECT* Operation of a Control Tower.

-Covering Owned and/or Leased Premises at the COFFEYVILLE MUNICIPAL AIRPORT (CFV) and including ways and means immediately adjoining such Airport.

INCLUDING:

-> Liability for "bodily injury" or "property damage" arising out of the ownership, maintenance, use or entrustment to others of "autos" and watercraft owned or operated by, rented, loaned or leased to the insured, but only while on the "airport" or while not on the "airport" if responding to an aviation emergency. Use includes operation and "loading or unloading". This is excess insurance, if there is other insurance available to the insured, it shall apply first.

-> Bodily Injury and Property Damage Legal Liability losses and/or claims arising from the Named Insured's exposure as lessor of the property on which buildings are occupied by aviation and/or non-aviation entities; provided, such entities are located on airport property *and it is necessary to the Named Insured's operation of the Airport*.

SUMMARY OF COVERAGES

I. COVERAGES & LIMIT OF LIABILITY

INCLUDING:

-> Liability for "bodily injury" or "property damage" arising out of the ownership, maintenance, use or entrustment to others of "mobile equipment", as defined in the policy, while such "mobile equipment" is anywhere in the "coverage territory", which is anywhere in the United States of America (including its territories and possessions), Puerto Rico and Canada. The most common example of when this might be advantageous is if the Insured would need to take a piece of "mobile equipment" off of the airport for maintenance or repair. NOTE, "bodily injury" or "property damage" arising out of the transportation of "mobile equipment" by an "auto" owned or operated by or rented or loaned to the Insured is Excluded.

-> The care, custody and Control Exclusion does <u>not</u> apply to property damage to Aircraft <u>Not</u> Owned by the Insured when the Insured's Control is Solely Traffic Control Over the Movement of Such Aircraft.

(2) Construction & Demolition Permit Legal Liability (i.e. Independent Contractors Liability) is Not Excluded. Acts or omissions of the named insured for their supervision of construction operations is included.

(3) CONTINGENT Products & Completed Operations Legal Liability (written on a Flat Charge, Non Adjustable Basis), Covering Exposures arising from Any & All Goods and Services Manufactured, Sold, Handled or Distributed by the Named Insured in connection with your Airport Operations. Note, the Pollution Exclusion does not apply to "Your Product".

==========>**THIS COVERAGE IS OFFERED ON A CONTINGENT BASIS AS THE INSURED DOES NOT SELL ANY PRODUCTS AND/OR PROVIDE ANY SERVICES.

(4) Malpractice, Error or Mistake by a physician, surgeon, nurse, medical technician or other person performing medical services on behalf of an insured in the provision of emergency medical relief.

SUMMARY OF COVERAGES

I. COVERAGES & LIMIT OF LIABILITY

(5) Contractual Legal Liability - *No Reporting Period.*

(6) Personal Injury/Advertising Injury Legal Liability (With No Insured Participation), Covering the following OFFENSES: Mistaken arrest, detention or imprisonment; Malicious prosecution; Wrongful eviction from, wrongful entry into, or invasion of the right of private occupancy of a room, dwelling or premises that a person occupies by or on behalf of its owner, landlord or lessor; Oral or written publication or material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services; Oral or written publication of material that violates a person's right of privacy; Unintentional Discrimination (excluding offenses arising out of the employment, past employment or future employment of a person by any insured); Misdirection of a Passenger or Passengers to the Wrong Aircraft, Automobile or Other Connecting Transportation if is such misdirection by the Insured. **Excluding Unintentional Discrimination & Employment Related Offenses per Endorsement AAP 242.**

OPTIONAL – Not Included In Total Annual Premium:

(7) WAR, HIJACKING AND OTHER PERILS EXTENDED COVERAGE ENDORSEMENT, Including War, Invasion, Acts of Foreign Enemies, Hostilities, Civil War, Rebellion, Revolution, Insurrection, Martial Law, Strikes, Riots, Civil Commotions, Labor Disturbances, Any Act for Political or Terrorist Purposes (whether the loss or damage resulting therefrom is accidental or intentional), Confiscation, Nationalization, Seizure, Restraint, Detention, Appropriation, Hi-Jacking or Any Unlawful seizure or Wrongful Exercise of Control of Aircraft or Crew in Flight Acting without the Consent of the Insured, Subject to the limitations expressed on Endorsement AAP 203.

(8) Property Damage to an "Auto" Not the Property of any Insured While on the Airport.

SUMMARY OF COVERAGES

I. COVERAGES & LIMIT OF LIABILITY

(9) Non-Owned Aircraft Legal Liability is NOT COVERED/NOT REQUESTED.

(10) "Bodily Injury" resulting from the use of reasonable force to protect persons or property is included.

(11) Bodily Injury definition includes Fright & Mental Anguish.

(12) Property Damage Legal Liability for baggage or cargo handled by the Named Insured, provided such baggage or cargo is not in the care, custody or control of the Insured as Bailee for hire. Property left in storage lockers at the airport is not considered 'baggage or cargo', as this terminology applies to checked baggage or cargo, consequently property of others in storage lockers would not be considered a bailment, even if the airport receives the income from storage lockers.

(13) *Host Liquor Legal Liability*; provided the insured is not in the business of Manufacturing, Distributing, Selling or Serving of alcoholic beverages and provided, there is no charge for the alcoholic beverages, Including contingent exposure as Lessor of premises on which the Lessee is engaged in the business of selling alcohol, and *it is necessary to the Named Insured's Operation of the Airport*.

II. OTHER COVERAGES INCLUDE:

(A) CONTINGENT Ground Hangarkeepers Legal Liability, **$1,000,000** Each Aircraft/**$1,000,000** Each Occurrence, covering aircraft in the insured's care, custody or control OR while the aircraft is being serviced, handled or repaired by the insured. Coverage includes "RESULTANT LOSS OF USE".
-This limit is a part of, not in addition to the Premises Liability Limit.

==========>**THIS COVERAGE IS OFFERED ON A CONTINGENT BASIS AS THE INSURED DOES NOT TOW OR MOVE ANY AIRCRAFT.

SUMMARY OF COVERAGES

II. OTHER COVERAGES INCLUDE:

(B) Fire Legal Liability, $50,000 Each Occurrence, covering the Named Insured's Liability for Property Damage, caused by Fire, to structures and fixtures which are rented or leased to the Named Insured. This insurance is excess insurance. If there is other insurance available to the Insured, it shall apply first.

(C) Premises Medical Payments, $3,000 Each Person.

(D) Territory/Geographical Limits:
- a. The United States of America (including its territories and possessions), Puerto Rico and Canada.
- b. International waters or airspace, provided the injury or damage does not occur in the course of travel or transportation to or from any place not included in a. above; or
- c. All parts of the world if:
  - (1) The injury or damage arises out of:
    - (a) Goods or products made or sold by you in the territory described in a. above; or
    - (b) The activities of a person whose home is in the territory described in a. above, but is away for a short time on your business;
  - (2) The Insured's responsibility to pay damages is determined in a "suit" on the merits, in the territory described in a. above or in a settlement the Company agrees to.

(E) Thirty (30) days notice of cancellation, non-renewal or reduction in coverage by insurer, but 10 days notice for non-payment of premium. This provision does not override the Automatic Termination, review or cancellation provisions of the Extended Coverage - War, Hi-jacking and Other Perils Endorsement (AAP 203) or Nuclear Risks Exclusion Clause (AAP 237).

(F) Immunity Waiver Endorsement (AAP 220).

(G) Amendment of Noise and Pollution and other Perils Exclusion Endorsement (AAP 204).

(H) Nuclear Risks Exclusion Clause (AAP 237).

(I) Volunteers Endorsement (AAP 248).

SUMMARY OF COVERAGES

II. OTHER COVERAGES INCLUDE:

(J) Airport Limited Enhanced Coverage Endorsement (AAP 234).

(K) Exclusion - Year 2000 Computer-Related and Other Electronic Problems (AAP 256 KS).

(L) Year 2000 Computer-Related and Other Electronic Problems - Limited Coverage Options (AAP 255 KS).

(M) Pollution Endorsement (AAP 273).

(N) Silica and Silica-Related Dust Exclusion (AAP 277).

(O) Trade or Economic Sanctions Endorsement (ALL-21101).

(P) Kansas Changes - Cancellation and Nonrenewal (AAP KS).

(Q) Kansas Changes - Transfer of Rights (9001-KS).

(R) Fees and Expenses Included In Deductible Endorsement (AAP 212).

(S) Limited Terrorism Coverage Endorsement (AAP 275).

(T) Infringement of Copyright, Patent, Trademark or Trade Secret Endorsement (AAP 306).

(U) Amendment to Supplementary Payments (Court Cost) Endorsement (AAP 307).

III. DEDUCTIBLE OF $1,000 ANY ONE AIRCRAFT/ANY ONE OCCURRENCE, APPLICABLE ONLY TO GROUND HANGARKEEPERS LEGAL LIABILITY (AAP 210).

IV. MAJOR EXCLUSIONS - NOT ALL OF THE EXCLUSIONS ARE SHOWN:

(A) Employee Injury.
(B) Pollution or Contamination of Any Kind Whatsoever and Noise, *UNLESS caused by or resulting in a crash, fire, explosion or collision or a recorded in-flight emergency causing abnormal aircraft operation.*
(C) Electrical Interference, Interference with Use of Property.
(D) The Conduct of any Airmeet, Contest or Exhibition Permitted, Sponsored or Participated in by the Insured; However, this exclusion does not apply to static display of aircraft.

SUMMARY OF COVERAGES

IV. MAJOR EXCLUSIONS (CONTINUED)- NOT ALL OF THE EXCLUSIONS ARE SHOWN:

(E) Owned or Leased Aircraft/Rotorcraft.
(F) Swimming Pools.
(G) Lodging Accommodations for the General Public.

---> NOTE: NOT ALL EXCLUSIONS ARE SHOWN. IT WILL BE NECESSARY REFER TO THE ACTUAL POLICY FOR COVERAGES, CONDITIONS, PROVISIONS AND LIMITATIONS.

V. **This Policy does NOT provide coverage for the following exposures:**

(a) Employers Liability.
(b) Employment Practices Liability.
(c) Directors & Officers Liability.
(d) Public Officials Liability.
(e) Professional Liability.
(f) Automobile Liability.
(g) Buildings, Business Personal Property or Equipment.
(h) Workers Compensation.

This list is not all inclusive. We are quite certain there are other exposures or hazards that are NOT covered.

NOTE: It should be emphasized that this description of coverage, conditions, terms, etc. is a summary only and is intended for reference only. While every effort has been made to be as complete and accurate as possible, it does not contain a full restatement of the insurance policy. The coverage is subject to terms, coverages, conditions, restrictions, limitations and exclusions contained in the actual policy of insurance. This description is not an insurance policy. In the event of any conflict and/or discrepancy between this description of terms, coverages, conditions, etc. and the insurance policy, the insurance policy will govern and prevail.

****NOTE: Many words and phrases used in this proposal have specific definitions which may be found in the Policy Form {AAP 201/202 (11/99)}, Section VI, beginning on Page 17. Specimen Forms and Endorsements available upon request.**

THE TOTAL ANNUAL PREMIUM FOR THE AIRPORT LIABILITY INSURANCE IS $1,725.

OPTIONAL – NOT INCLUDED IN TOTAL ANNUAL PREMIUM:
Both the War Risks Extended Coverage Endorsement AND the TRIA Coverage, can be purchased for an Additional Annual Premium of $216.

Attached Signed Disclosure Form Required at Binding!

ace group

POLICYHOLDER DISCLOSURE
NOTICE OF TERRORISM INSURANCE COVERAGE

You are notified that under the Terrorism Risk Insurance Act, as amended, that you have a right to purchase insurance coverage for losses resulting from acts of terrorism, as defined in Section 102(1) of the Act: The term "act of terrorism" means any act that is certified by the Secretary of the Treasury---in concurrence with the Secretary of State, and the Attorney General of the United States---to be an act of terrorism; to be a violent act or an act that is dangerous to human life, property, or infrastructure; to have resulted in damage within the United States, or outside the United States in the case of certain air carriers or vessels or the premises of a United States mission; and to have been committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

YOU SHOULD KNOW THAT WHERE COVERAGE IS PROVIDED BY THIS POLICY FOR LOSSES RESULTING FROM CERTIFIED ACTS OF TERRORISM, SUCH LOSSES MAY BE PARTIALLY REIMBURSED BY THE UNITED STATES GOVERNMENT UNDER A FORMULA ESTABLISHED BY FEDERAL LAW. HOWEVER, YOUR POLICY MAY CONTAIN OTHER EXCLUSIONS WHICH MIGHT AFFECT YOUR COVERAGE, SUCH AS AN EXCLUSION FOR NUCLEAR EVENTS. UNDER THE FORMULA, THE UNITED STATES GOVERNMENT GENERALLY REIMBURSES 85% OF COVERED TERRORISM LOSSES EXCEEDING THE STATUTORILY ESTABLISHED DEDUCTIBLE PAID BY THE INSURANCE COMPANY PROVIDING THE COVERAGE. THE PREMIUM CHARGED FOR THIS COVERAGE IS PROVIDED BELOW AND DOES NOT INCLUDE ANY CHARGES FOR THE PORTION OF LOSS THAT MAY BE COVERED BY THE FEDERAL GOVERNMENT UNDER THE ACT.

YOU SHOULD ALSO KNOW THAT THE TERRORISM RISK INSURANCE ACT, AS AMENDED, CONTAINS A $100 BILLION CAP THAT LIMITS U.S. GOVERNMENT REIMBURSEMENT AS WELL AS INSURERS' LIABILITY FOR LOSSES RESULTING FROM CERTIFIED ACTS OF TERRORISM WHEN THE AMOUNT OF SUCH LOSSES IN ANY ONE CALENDAR YEAR EXCEEDS $100 BILLION. IF THE AGGREGATE INSURED LOSSES FOR ALL INSURERS EXCEED $100 BILLION, YOUR COVERAGE MAY BE REDUCED.

Acceptance or Rejection of Terrorism Insurance Coverage

_____ I hereby elect to purchase terrorism coverage for a prospective premium of AS QUOTED

_____ I hereby decline to purchase terrorism coverage for certified acts of terrorism. I understand that I will have no coverage for losses resulting from certified acts of terrorism.

_____
Policyholder/Applicant's Signature

ACE PROPERTY AND CASUALTY INSURANCE COMPANY
Insurance Company

City of Coffeyville
Print Name

_____
Date

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TR-19604c (01/08)

City of Coffeyville
Airport Liability Insurance Coverage
Premium History

Policy Period	Premium	Carrier
01/08/1998 - 01/08/1999	$ 2,380	Great American Insurance Companies
01/08/1999 - 01/08/2000	$ 2,402	Great American Insurance Companies
01/08/2000 - 01/08/2001	$ 2,057	Old Republic Insurance Company
01/08/2001 - 01/08/2002	$ 2,057	Old Republic Insurance Company
01/08/2002 - 01/08/2003	$ 2,102	Old Republic Insurance Company
01/08/2003 - 01/08/2004	$ 2,400	Old Republic Insurance Company
01/08/2004 - 01/08/2005	$ 2,400	Old Republic Insurance Company
01/08/2005 - 01/08/2006	$ 2,520	Old Republic Insurance Company
01/08/2006 - 01/08/2007	$ 2,520	Old Republic Insurance Company
01/08/2007 - 01/08/2008	$ 1,945	ACE Property & Casualty Co.
01/08/2008 - 01/08/2009	$ 2,053	ACE Property & Casualty Co.
01/08/2009 - 01/08/2010	$ 2,053	ACE Property & Casualty Co.
01/08/2010 - 01/08/2011	$ 2,053	ACE Property & Casualty Co.
01/08/2011 - 01/08/2012	$ 2,053	ACE Property & Casualty Co.
01/08/2012 - 01/08/2013	$ 1,725	ACE Property & Casualty Co.
01/08/2013 - 01/08/2014	$ 1,725	ACE Property & Casualty Co.