

# City of Franklin 2010/ 2011 Policy Year Deductible Options



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**RISK • MANAGEMENT • POOL**

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since 1979

## LIABILITY

Line of Coverage	Deductible	09/10 Premium	09/10 Dividend	09/10 Final
General Liability	\$10,000	\$106,170		
Law Enforcement Liability	\$10,000	\$57,716		
Errors or Omissions Liability	\$10,000	\$198,550		
Automobile Liability	\$10,000	\$67,492		
Automobile Physical Damage	\$10,000	\$67,214		
		\$497,142	\$25,941	\$471,201

Line of Coverage	Deductible	10/11 Premium	10/11 Dividend	10/11 Final
General Liability	\$10,000	\$92,961		
Law Enforcement Liability	\$10,000	\$75,520		
Errors or Omissions Liability	\$10,000	\$344,150		
Automobile Liability	\$10,000	\$65,872		
Automobile Physical Damage	\$10,000	\$42,876		
		\$621,379	\$0	\$621,379

- Credit given prospectively for full time Risk Management Dept. of three employees - Director, Insurance Clerk, and Safety Trainer.
- Net Operating Expenditures decreased, added 13 vehicles, values of vehicles increased 23%
- Auto Physical Damage coverage applies only to vehicles with value greater than \$10,000 in value per vehicle.
- General Liability premium reflects your notification that the City of Franklin is no longer providing maintenance on Franklin Transit Authority vehicles and trolleys.
- 5 Year Loss Ratios: General Liability 22%; Law Enforcement Liability 84%; Errors or Omissions Liability 354%; Auto Liability 35%; Auto Physical Damage 61%

### LIABILITY OPTION

Line of Coverage	Deductible	10/11 Premium	10/11 Dividend	10/11 Final
General Liability	\$25,000	\$75,799		
Law Enforcement Liability	\$25,000	\$61,578		
Errors or Omissions Liability	\$25,000	\$312,867		
Automobile Liability	\$25,000	\$53,711		
Automobile Physical Damage	\$25,000	\$27,851		
		\$531,806	\$0	\$531,806

- Auto Physical Damage coverage applies only to vehicles with value greater than \$25,000 in value per vehicle.
- Errors or Omissions Liability and Auto Physical Damage (Comp/Collision) deductibles can be different from other lines of coverage.

### CATASTROPHIC COVERAGE RATE

.00054 per dollar of TIV for ALL vehicles.

EX: Total TIV for ALL vehicles is \$15,000,000 x .00054 = \$8,100 Premium

## PROPERTY

Line of Coverage	Deductible	09/10 Premium	09/10 Dividend	09/10 Final
Buildings and Personal Property	\$25,000	\$87,903		
Electronic Data Processing	\$250	\$2,958		
Mobile Equipment	\$250	\$2,248		
Equipment Breakdown	\$25,000	Included		
Automatic Coverages	\$25,000	Included		
SUBTOTAL		\$93,109		
CRIME	Limits			
Employee Dishonesty	\$150,000	\$727		
Forgery or Alteration	\$150,000	\$182		
Theft, Disappearance, or Destruction	\$150,000	\$226		
Computer Fraud	\$150,000	\$112		
SUBTOTAL		\$1,247		
TOTAL		\$94,356	\$13,266	\$81,090

Line of Coverage	Deductible	10/11 Premium	10/11 Dividend	10/11 Final
Buildings and Personal Property	\$25,000	\$105,709		
Electronic Data Processing	\$250	\$4,838		
Mobile Equipment	\$250	\$1,911		
Equipment Breakdown	\$25,000	Included		
Automatic Coverages	\$25,000	\$689		
SUBTOTAL		\$113,147		
CRIME	Limits			
Employee Dishonesty	\$150,000	\$727		
Forgery or Alteration	\$150,000	\$182		
Theft, Disappearance, or Destruction	\$150,000	\$226		
Computer Fraud	\$150,000	\$112		
SUBTOTAL		\$1,247		
TOTAL		\$114,394	\$17,820	\$96,574

- 20% Increase in Buildings and Personal Property TIV
- 64% Increase in Electronic Data Processing TIV
- 15% Decrease in Mobile Equipment TIV
- 5 Year Loss Ratio 21%

### CRIME OPTION

CRIME	Limits	10/11 Premium
Employee Dishonesty	\$500,000	\$1,000
Forgery or Alteration	\$500,000	\$250
Theft, Disappearance, or Destruction	\$500,000	\$507
Computer Fraud	\$500,000	\$229
TOTAL		\$1,986

## WORKERS COMPENSATION

Line of Coverage	Deductible	09/10 Premium	09/10 Dividend	09/10 Final
Workers Compensation	\$2,500	\$608,360	\$146,277	\$462,083

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Line of Coverage	Deductible	10/11 Premium	10/11 Dividend	10/11 Final
Workers Compensation	\$2,500	\$547,407	\$178,336	\$369,071

<p>- Credit given prospectively for full time Risk Management Dept. of three employees - Director, Insurance Clerk, and Safety Trainer as well as compliance with reasonable indemnity policy in line with state statute.</p> <p>- 2% Increase in Payroll</p> <p>- 5 Year Loss Ratio 41%</p>				
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### WORKERS COMPENSATION OPTIONS

Line of Coverage	Deductible	10/11 Premium	10/11 Dividend	10/11 Final
Workers Compensation	\$0	\$667,569	\$178,336	\$489,233
	\$5,000	\$520,704	\$178,336	\$342,368
	\$10,000	\$433,920	\$178,336	\$255,584
	\$25,000	\$353,812	\$178,336	\$175,476

<p>Deductible Per Occurrence</p> <p>No Annual Aggregate Deductible Applies</p> <p>No Additional Claims Administration Fee</p> <p>Monthly Billing for claims paid during each month up to the per occurrence deductible</p>				
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Line of Coverage	Annual Aggregate Deductible or Retention	10/11 Administrative Expense and Excess Aggregate Premium	10/11 Dividend	10/11 Final
Workers Compensation	\$595,000	\$176,640	\$178,336	-\$1,696

<p>No Per Occurrence Deductible</p> <p>Annual Aggregate Retention Applies</p> <p>Initial Premium = Administrative Expense (20% of fully insured annual premium) + Annual Aggregate Premium for Full Coverage over Retention</p> <p>Monthly Billing for claims paid during each month + 8% of claims paid (Claims Administration Expense) until the Annual Aggregate Retention is exceeded</p>				
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## Reasonable Indemnity Policy Options:

- a. Tennessee state law sets the rate of pay at 66 and 2/3's of the employee's average earnings over the previous 52 weeks with a maximum rate capped at the average wages in the state of Tennessee (which is adjusted annually but is currently \$761.00 per week). **There are no taxes or other deductions taken from the indemnity check.**
- b. The injured employee will receive the state defined 66 and 2/3's of the employee's average earnings and the employee is allowed to use their sick leave to supplement the indemnity wage so the employee is earning their normal pay. After an employee has exhausted all available leave, they will receive the indemnity wage of 66 and 2/3's only. **Please note there are accounting and tax concerns if you choose this option. Indemnity pay should not be taxed; therefore, the organization is responsible for the maintenance of records, auditing, and ensuring the employee is paid correctly.**
- c. The organization may continue to pay the employee normal pay known as accident leave for a set time which is to be defined in the policy. If an employee receives accident leave pay, the employee is required to endorse the indemnity check from the TML Pool and forfeit the check to the organization so they do not receive overpayment. It is recommended accident leave is exhausted between 30 and 90 days. **Please note there are accounting and tax concerns if you choose this option. Indemnity pay should not be taxed; therefore, the organization is responsible for the maintenance of records, auditing, and ensuring the employee is paid correctly.**