



Strength in...
Members

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Stephen Matty
City Attorney
City of La Crosse
400 La Crosse St
La Crosse WI 54601

December 1, 2015

Re: Property Insurance

Dear Mr. Matty:

We have reviewed the document prepared by TE Brennan for the City of La Crosse property placement. We feel many important coverage aspects of the MPIC policy were not clearly communicated to the City. We would like to provide additional information that was not included in the renewal comparison. We have had a good working relationship with T.E. Brennan and can only assume that as a new company to them, they are not as aware of the details of the MPIC policy as other commercial carriers.

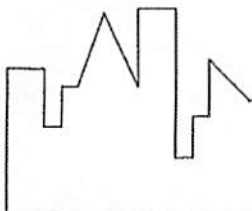
The City of La Crosse, as owners of WMMIC are Owners of MPIC. WMMIC invested \$3 million in MPIC upon approval of WMMIC board of directors. This ownership is not a quantifiable component of the insurance placement and was clearly left off the proposal. MPIC was created for our members and will be there in the long term. Our insureds are our number one priority. We created this company at the request of our board of directors, for our members.

The proposal (from T.E. Brennan) is silent in regards to coverage enhancements on the MPIC policy. The proposal states we are substantially similar to the LGPIF. MPIC is not the LGPIF and in fact we have a number of coverage enhancements. These include:

- Automatic coverage for Special Use Animals. This coverage typically has to be added by endorsement.
- Builders Risk is automatically covered up to \$1 million. Builders Risk is typically a separate policy. The comparison is silent on this.
- The Contractor's Equipment provides for \$25,000 of coverage for any unscheduled items.
- Coverage up to 125% of a total insured values for any one loss.
- \$100,000 of Asbestos and abatement coverage due to a covered loss

It also appears options were given for additional flood coverage. Please note we were not aware of the City's need for additional coverage. We are able to provide additional flood for those non-zone "A" buildings of up to \$5 million without higher deductibles. We can provide a pricing option for this. We were also not aware of or asked to inquire on the flood zones.

Our quote already included the Limited Term monies and securities coverage. Based on the documents provided this is an additional cost so that amount should have been deducted from our quote.



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We do wonder why MPIC was not placed with the other auto carrier as an option. This appears from the documents to be a stand-alone quote. However, the comparison states that Integrity provides replacement cost and then further defines Allied World's coverage. We want to provide further information on the Integrity program. WMMIC solicited the Integrity program after hearing from our members they wanted a company domiciled in WI (not a surplus lines carrier) with dedicated claims adjusters. This program offers it. In regards to replacement cost an example would be if your 1985 vehicle is totaled we will replace it with a 2015 vehicle. It does offer coverage for all vehicles as stated.

In addition, we saw the quote provided to you for your auto had a higher deductible for vehicles valued more than \$250,000. We also can offer the higher deductible (\$25,000) for vehicles over \$100,000. We have revised the Integrity quote for this option below.

We understand as local governmental entities the fiduciary component weighs heavily in any decision. We appreciate that and have revised our quote because of your ownership status with WMMIC. We can offer you the following:

Real and Personal Property	\$154,505
Contractor's Equipment	25,998
Monies & Securities	854
Monies & Securities Limited Term (not included in first chart)	968
Specific Limit Endorsement (not included in first chart)	17
Golf course grounds coverage (not included in first chart)	2,108
Integrity APD	<u>90,616</u>
	\$275,066

With the Equipment Breakdown included of \$15,078 this brings the total premium to \$290,144. The City of La Crosse would also be an owner through its membership in WMMIC and would benefit through dividends WMMIC will receive from the investment in MPIC down the road.

Sincerely,

Danielle C. Rogacki
Operations Manager

