

MEMO

To: Carroll County Board of Supervisors
From: R. Cellell Dalton
Date: 8-8-19
Subject: VACORP Membership Agreement

I request that the Board of Supervisors approve the VACORP Membership Agreement for FY2020.

**VIRGINIA ASSOCIATION OF COUNTIES
GROUP SELF INSURANCE RISK POOL**

COVERSHEET TO MEMBER AGREEMENT

Member: Carroll County

Contract #: VA-CA-018-20

Coverage Certificate Term - Effective Date: 07/01/2019

Expiration Date: 07/01/2020

I.	COVERAGE	LIMIT OF LIABILITY*	ANNUAL CONTRIBUTION
A.	<u>Property</u> Buildings/Contents - Replacement Cost, unless otherwise noted		\$31,969
	<ul style="list-style-type: none"> • Business Interruption/Extra Expense • Back-up of Sewers and Drains (Per Occurrence) • Debris Removal • Pollutant Clean-up and Removal • Newly Acquired Locations (per occurrence up to 120 days) • Property in Transit • Utility Services Time Element • Increased Cost of Construction/Ordinance/Demolition • Earthquake (Pool Aggregate) • Flood (outside 100-year flood plain; Pool Aggregate) 	<ul style="list-style-type: none"> \$100,000 \$10,000,000 \$25,000,000 \$500,000 \$25,000,000 \$5,000,000 \$5,000,000 \$20,000,000 \$100,000,000 \$100,000,000 	
B.	<u>Inland Marine</u> Replacement Cost if scheduled, otherwise Actual Cash Value		\$8,743
	<ul style="list-style-type: none"> • Bridges • Bridges (Pool Aggregate) 	<ul style="list-style-type: none"> \$10,000,000 \$20,000,000 	
C.	<u>General Liability</u> <ul style="list-style-type: none"> • Bodily Injury & Property Damage • Personal Injury & Advertising • Products & Completed Operations • Fire Legal Liability - Real Property • Employee Benefits Liability • Broad Form Property Damage and Property in the Care, Custody, and Control • Premises Medical Payments (Per Person) • Premises Medical Payments (Per Accident) 	<ul style="list-style-type: none"> \$2,000,000 \$2,000,000 \$2,000,000 \$500,000 \$2,000,000 \$100,000 \$5,000 \$10,000 	\$16,375
D.	<u>Automobile</u> <ul style="list-style-type: none"> • Bodily Injury & Property Damage - Owned & Hired Autos • Medical Payments • Non-Owned Liability • Statutory Uninsured Motorists (per person) • Statutory Uninsured Motorists (per accident) • Statutory Uninsured Motorists (property damage) • Automobile Physical Damage 	<ul style="list-style-type: none"> \$2,000,000 \$5,000 \$1,000,000 \$25,000 \$50,000 \$20,000 Actual Cash Value or Cost of Repairs Less Deductible 	\$90,579
E.	<u>Public Officials Liability</u> <ul style="list-style-type: none"> • Per Occurrence • Annual Aggregate 	<ul style="list-style-type: none"> \$1,000,000 \$1,000,000 	\$9,407
F.	<u>Crime</u> <ul style="list-style-type: none"> • Employee Dishonesty, Faithful Performance • Broad Form Monies and Securities-Inside/Outside • Money Orders, Counterfeit, Depositors Forgery 	<ul style="list-style-type: none"> \$250,000 \$250,000 \$250,000 	\$775
G.	<u>Cyber Risk</u> <ul style="list-style-type: none"> • Limit of Liability • Pool Aggregate 	<ul style="list-style-type: none"> \$500,000 \$5,000,000 	Included

H.	<u>Environmental Liability.</u>		Included
	• Each Incident and Aggregate	\$1,000,000	
	• Pool Aggregate	\$2,000,000	
I.	<u>Excess Liability.</u>		\$8,461
	• Excess Automotive Liability - Limit	\$3,000,000	
	• Excess General Liability - Limit	\$3,000,000	
	• Excess Public Officials Liability - Limit	\$1,000,000	
	• Excess Public Officials Liability - Annual Aggregate	\$1,000,000	
	Excess Liability does not include Non-Owned Automobile Liability or Uninsured/Underinsured Motorists Coverage.		
J.	<u>Workers' Compensation</u>		\$144,951
	• Employers' Liability (Coverage B)	\$1,000,000	
	• Coverage A	Statutory	
K.	<u>LODA</u>		\$50,547
	• LODA Coverage Amount	Statutory	
	• Total Past Liabilities Prior Years, \$19,439 included in above, if applicable.		

Program Credit, if Applicable

Included in Above

Total Annual Contribution

\$361,807

*Coverages provided are limited to those listed herein.

*Limits noted are subject to the terms, conditions, and exclusions of the contract. Sublimits may apply.

II.

A. **Property**

- Per Building and Contents Final Contribution Allocation Schedule (PR_41706) Attached Below
- Flood \$25,000
- Earthquake \$25,000

B. **Inland Marine**

- Per Final Contribution Allocation Schedule (IM_41706) Attached Below

C. **General Liability**

- General Liability \$0

D. **Automobile**

- Comp/Coll Deductibles Per Final Contribution Allocation Schedule (BA_41706) Attached Below
- Liability \$0
- Hired Car Physical Damage Comprehensive \$1,000
- Hired Car Physical Damage Collision \$1,000

E. **Public Officials Liability**

- Per Occurrence \$7,500

F. **Crime**

- Per Occurrence \$250

G. **Cyber Risk**

- Per Occurrence \$0

H. **Environmental Liability**

- Per Occurrence \$25,000

I. **Excess Liability**

- Per Occurrence \$0

J. **Workers' Compensation**

- Per Occurrence \$0

K. **LODA**

- LODA \$0

III. EXCESS COVERAGE OF POOL

- A. **Property:** The Pool maintains reinsurance coverage up to \$500,000,000 in excess of the Pool's per occurrence retention of \$350,000.
- B. **Liability:** The Pool maintains reinsurance coverage up to the limit of liability shown on page one of this document in excess of the Pool's per occurrence retention of \$1,000,000 for the first loss, \$750,000 for the second loss and \$500,000 for any subsequent loss during the coverage period.
- C. **Worker's Compensation:** The Pool maintains reinsurance coverage up to the statutory limit of liability in excess of the Pool's per occurrence retention of \$1,000,000 and \$1,500,000 for class codes 7705, 7710 and 7720. In addition, the Pool maintains a stop loss aggregate, which attaches at 100% of the contribution collected.
- D. **Line of Duty Act:** The Pool retains up to the statutory limit of liability per occurrence. In addition, the Pool maintains a stop loss aggregate, which attaches at 100% of the contribution collected.
- E. **Accident and Sickness:** The Pool maintains reinsurance coverage up to \$1,000,000 in excess of the Pool's per occurrence retention of \$250,000. In addition, the Pool maintains a catastrophic reinsurance limit of \$3,000,000 excess of the underlying \$1,000,000 limit.

IV. CONTRIBUTION ASSESSMENT

The contributions were based on Pool Members' experience modified in accordance with an actuarially derived formula. Workers' Compensation rates have been filed with and approved by the State Corporation Commission.

Whenever the Supervisory Board and the State Corporation Commission determine that the fund account is actuarially insufficient, when considering Pool assets and reserves to cover known claims both reported and unreported, the board shall make an assessment of the Members of the Pool. Such assessments shall be paid within 90 days.

V. SERVICE AGENT – RISK MANAGEMENT PROGRAMS, INC.

Note: Local government group self-insurance pools are not protected by any Virginia insurance guaranty association against default due to insolvency. In the event of insolvency, Members and persons filing claims against Members may be unable to collect any amount owed to them by the Pool regardless of the terms of the Member agreement. In the event the Pool is in a deficit position, a Member may be liable for any and all unpaid claims against such Member.

With regards to Workers' Compensation liability, each Member agrees to assume and discharge, jointly and severally, any liability under the Virginia Workers' Compensation Act of any and all employers party to such agreement and which provides that, in addition to the rights of the Pool, in the event of failure of the Pool to enforce such rights after reasonable notice to the Pool, the Commission shall have the right independently to enforce on behalf of the Pool the joint and several liability of its Members under the Virginia Workers' Compensation Act and the liability of Members for any unpaid contributions and assessments.

ACCEPTED
BY: _____

SIGN
HERE

REJECTION OF HIGHER UNINSURED/UNDERINSURED MOTORIST LIMITS

The Member has read the Member Agreement and this Coversheet to Member Agreement, which is expressly made a part of the Member Agreement. The Member has also read the Business Automobile Contract. The Member acknowledges that the Supervisory Board of VACORP has not, by Resolution, elected to provide uninsured/underinsured motorist coverage to its Members. The Member understands that it is possible to purchase such coverage with coverage limits equal to the Contract's liability coverage limits, unless such coverage is rejected by the Member.

The Member understands that it may reject uninsured/underinsured motorist coverage limits equal to the Contract's liability coverage limit and may select lower limits of such coverage, provided that the Member may not select uninsured/underinsured motorist coverage in an amount less than the minimum liability coverage limit required by Virginia law.

Having received notice required by Section 38.2-2202 of the Code of Virginia, the designated member elects:

1) Statutory uninsured motorists coverage limits as required by Virginia Law and rejects a higher limit as allowed by Section 38.2-2206.

Signature of
Authorized
Representative

Date

OR

2) N/A uninsured motorists coverage limits set forth in the Coversheet to Member Agreement and rejects a higher limit as allowed by Section 38.2-2206.

Signature of
Authorized
Representative

Date

Sign Here if Electing Statutory Limits

Please Select/Sign Only One

Sign Here if Electing Higher Limits