



U.S. Department of
Transportation

Saving on Bus Insurance in Wisconsin

March 1982



Saving on Bus Insurance in Wisconsin: Joint Vehicle Insurance Program Implementation

**Final Report
March 1982**

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JOINT VEHICLE INSURANCE PROGRAM IMPLEMENTATION

The purpose of this report is to outline the process used to implement a Joint Vehicle Insurance Program for municipal transit systems in the State of Wisconsin. This project is a follow-up to the Vehicle Insurance Study performed for the Wisconsin Department of Transportation which led to our report of May, 1980 (Phase I).

Phase I revealed that most transit systems' insurance was inadequate, both in limits of liability and coverage terms. A joint purchase program was recommended to reduce insurance costs and improve coverage scope. Phase II resulted in the implementation of such a joint vehicle insurance program.

Major consulting activities during this project (Phase II) included:

1. Collection and tabulation of premium, loss and underwriting statistics for 18 transit properties.
2. Work with Department of Transportation legal counsel to establish the correct legal framework for the formation of the Wisconsin Municipal Transit Insurance Commission.
3. Preparation of insurance bid specifications.
4. Analysis of proposals from insurers and agents.
5. Meetings with DOT officials and the study committee to:
 - Refine a project timetable
 - Select potential sources of insurance
 - Review conceptual proposals from insurance sources
 - Review insurance quotations from selected firms
6. Preparation of this report.

The project resulted in the formation of the Wisconsin Municipal Transit Insurance Commission. The Commission is providing a vehicle insurance program for 14 Wisconsin municipal transit systems who have saved almost \$275,000, or approximately 47%, over the costs of their expiring programs. In addition, the services and coverage of the program are designed for the municipal transit exposures. The existence of the program should result in a long-term, low-cost, stable source of insurance for participating municipalities.

This project was performed by Michael M. Kaddatz with the assistance of Kathryn G. Furr. The work product was reviewed and overall guidance provided by C. C. Griffin.

Considerable assistance was received from a committee of transit system managers from six municipalities. Also, actively involved was Department of Transportation staff, particularly Mr. James A. Beckwith, without whose assistance the project's success could not have been achieved.

DISCLAIMER

The contents of this report reflect the views of Warren, McVeigh & Griffin, Inc. based on the data exhibited herein. The contents do not necessarily reflect the official views or policy of the U. S. Department of Transportation. This report does not constitute a standard, specification or regulation.

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FOREWORD

Many transit operators are very interested in improving their management practices. To assist these operators, UMTA has been funding, through the Section 8 Technical Studies Program, local studies to evaluate existing management practices and develop recommendations for improvements.

This document is the final report of an UMTA-funded study of insurance programs that was conducted for the Wisconsin Department of Transportation. An interim report, Management Planning: Wisconsin Insurance Study, summarized the evaluation of the insurance programs of the 19 urban transit systems in Wisconsin and provided recommendations for improvement of these programs. This report summarizes the process used to implement one of these recommendations, the development of a group insurance program for the urban transit systems.

The group insurance program saved almost \$275,000 in the first year of operation, or about 47 percent over the costs of the expiring programs. We believe that this program should be of interest to many transit operators in their efforts to improve their operations.

Additional copies of this report are available from the National Technical Information Service (NTIS), Springfield, Virginia, 22161 at cost.



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L. PROJECT SCOPE AND METHODOLOGY

The transit vehicle risks of Wisconsin municipal transit systems were studied under a project sponsored by the Wisconsin Department of Transportation which led to a May, 1980 report entitled "Vehicle Insurance Study." A key recommendation of that study was that the transit systems in Wisconsin should pursue the implementation of a program to jointly purchase vehicle insurance. The recommendation was accepted and in April, 1981 a second project was initiated to develop such a program.

From the transit properties who were potential participants in such a program, six individuals were selected to work with the DOT and the consultant on program implementation. This Transit Managers Panel (or Study Committee) was responsible for:

- o Providing input on transit system needs for:
 - Insurance Coverage.
 - Safety Services.
 - Claim Handling Services.
- o Providing input on insurance purchasing matters, including:
 - Degree of Transit System Involvement.
 - Timing and Decision Making.
 - Local Politics.
- o Integrating knowledge of above with Program Implementation process.
- o Selecting firms (insurers/agents) to procure insurance.
- o Assisting with Program operating and legal framework development.
- o Informing other transit managers on Program.
- o Assist in the overall Program implementation process.

The 18 municipal transit properties who were eligible to participate in the Program are:

Appleton	Janesville	Oshkosh	Watertown
Beloit	Kenosha	Racine	Waukesha
Eau Claire	La Crosse	Rice Lake	Wausau
Fond du Lac	Manitowoc	Sheboygan	
Green Bay	Merrill	Stevens Point	

The project was divided into five major elements, as follows:

- o Organizational Framework
- o Participation Decision
- o Data Collection
- o Insurer/Agent Selection
- o Program Implementation

The time schedule and major steps which were established at the time of project initiation are set forth in exhibits of the Appendix A. While slight modifications were made to the timing and sequence of activities, the schedule and workflow were followed very closely. The balance of this chapter is a discussion of each of the major project elements.

A. ORGANIZATIONAL FRAMEWORK

Through working with Wisconsin Department of Transportation legal counsel, an agreement was developed to govern the legal relationship between the potential participants of the program. Appendix B is the Agreement Providing for the Creation of a Municipal Transit Insurance Commission. The authority for such a commission is based on Section 66.30, WIS. Stats., which allows any municipality to contract with other municipalities for the joint exercise of any power or duty required or authorized by law. Thus, the participating municipalities were forming a commission to jointly exercise their power to purchase vehicle insurance.

Important features of the Agreement are:

- o Any municipality entering the Commission's program must participate in it for no less than three years.
- o A member may withdraw from the Commission following its initial three-year commitment only after giving 12 months' advance written notice of intent to withdraw.
- o Each year, insurance quotations must be obtained no later than October 15 for coverage to be effective on the following January 1.

- o Each participating municipality will have one representative on the Commission, and therefore have a vote in all actions taken by the Commission.

The purpose of the above features is to provide for Program stability, assure adequate time for decision-making on each renewal and ensure the involvement of all participants.

B. PARTICIPATION DECISION

The steps and timing involved in this major project element were modified from the original plan. Exhibit 1, on the following page, is a graphic representation of the decision process utilized. The sequence of events leading to participation can be further described as follows:

1. On August 21, each potential participating transit system was provided with:
 - o The Agreement (Appendix B) forming the Municipal Transit Insurance Commission,
 - o An estimate (developed by the consultant) of the premium each would pay by participating in the Commission's Joint Vehicle Insurance Program, and
 - o A comparison of each transit system's present vehicle insurance coverages and costs with the anticipated coverages and estimated costs of the Commission's Program.
2. By October 15, each system had to decide whether, based on the Commission's premium estimate, it would enter the Joint Vehicle Insurance Program. Twelve of the potential participants returned the signed Agreement indicating their election to participate in the Program.
3. By November 2, 1981 the actual costs of the Program were to be developed and reported to the participants. At that time, each would fall into one of two groups:

Group A. The actual cost is equal to or less than the estimated cost. Group A transit systems would automatically enter the program effective January 1, 1982.

Group B. The actual cost is greater than the estimated cost. Group B members could elect to enter the program. However, they were not obligated.

The process of developing the actual costs and the results of that process are more thoroughly described in Sections D and E below. However, of the 12 who originally elected to participate, all fell into Group A. Since costs were developed on all potential

Wisconsin Municipal Transit
Insurance Commission

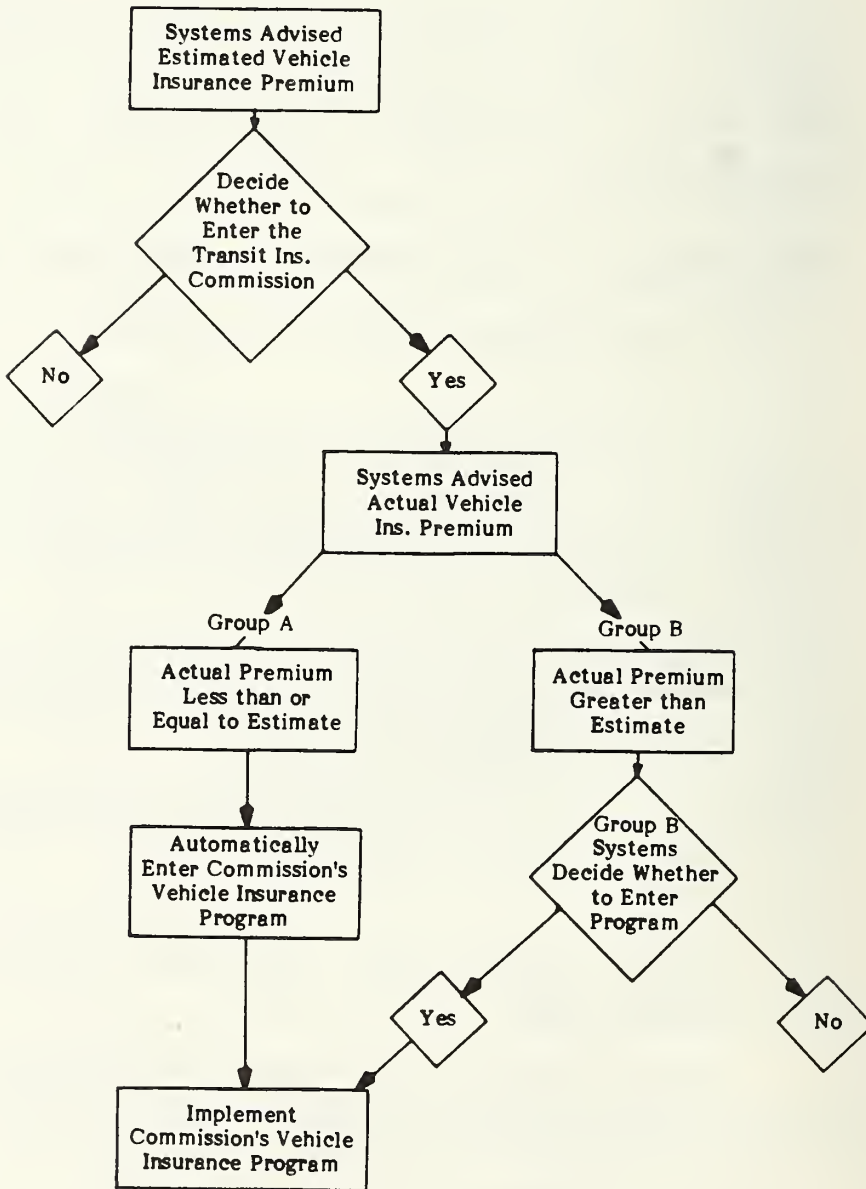
PARTICIPATION DECISION TREE

August 21, 1981

October 15, 1981

November 2, 1981

January 1, 1982



participants, those who had originally elected not to participate were given the opportunity to reconsider their decision. Of the six who had elected not to participate, two decided to join, making the total number of participants in the Program 14.

It is important in developing a program such as the Joint Vehicle Insurance Program to obtain the commitment of the participants prior to receiving final quotes from the insurance marketplace. Insurers are typically much more willing to quote favorable terms, if they know the potential participants are committed to the program.

C. DATA COLLECTION

Although much data was collected during the study which led to the May, 1980 report, this information needed to be updated and expanded. This new information would form the basis for development of detailed bid specifications for soliciting quotations from insurers and agents. The sources and types of information collected are:

1. From transit systems we collected:
 - o Copies of the present insurance policies
 - o Historical information regarding the source of insurance coverage for the previous five years
 - o A letter from the transit system authorizing the consultant to contact the insurers and agents for premium and loss information
 - o Employee census and experience information
 - o Safety, training and claim procedures and programs
 - o Information concerning garage and maintenance facilities
 - o Complete fleet lists
2. From the Wisconsin Department of Transportation we received historical operating information for each system, including such items as revenue miles, revenue passengers, etc.
3. Using the authorization letter obtained from each system, we obtained historical loss and premium information from each system's insurers and agents.

This information was tabulated and organized by the consultant for the bid specifications (see Appendix D).

D. INSURER/AGENT SELECTION

The qualified competition method was used to solicit insurance quotations. Under this method, qualified potential sources of insurance are identified and asked to submit a written conceptual proposal. The firms (direct-writer insurers and agents) proposing are asked to outline the services they can provide and their approach to marketing and servicing the proposed Joint Vehicle Insurance Program. In this phase of the selection process, actual insurance quotations are not requested.

Following receipt of the written proposals, several firms are selected for interview. Following the interviews, one or more are asked to procure actual insurance quotations or bids.

The Study Committee identified nine insurance agents and two "direct writer" insurance companies who were asked to submit conceptual proposals. The Invitation for Proposal used to solicit the conceptual proposals is provided in Appendix C to this report. Responses were received from one of the direct writers and six agencies.

The written responses were reviewed by the Study Committee. The direct writer and three of the insurance agencies were selected for interview. The interviews, which consisted of a twenty-minute presentation by the proposing firms followed by a question-and-answer session, resulted in the Committee's selection of Wausau Insurance Companies and Marsh & McLennan, Inc. to develop insurance quotations.

These firms were selected because they were the most responsive to the invitation for proposals and demonstrated the most experience in handling transit exposures.

E. PROGRAM IMPLEMENTATION

From our data collection activities described above, insurance bid specifications were developed and released to Wausau Insurance Companies and Marsh & McLennan on August 27. The bid specifications are shown in Appendix D.

The selected firms were given almost two months to develop their insurance quotations, which were due and received on October 21. It is important to allow this much time for development of insurance quotations to permit the best possible proposals for coverage, service and cost.

Prior to submission, both proposers were given a list of those entities who had committed to the Program based on the consultant's premium estimate. This was done to allow the quoting firms an opportunity to make any needed last-minute adjustments to their proposals.

Wausau Insurance Companies submitted a comprehensive proposal with competitive insurance premiums. The proposal provided for the possibility of the group earning dividends for favorable loss experience.

Marsh & McLennan submitted proposals from four sources of insurance:

- o National Union/Zurich-American
- o Farmers Insurance/Columbia Casualty
- o Transit Casualty
- o National Indemnity

Though Marsh & McLennan contacted other insurance markets, only the above entities responded with programs conforming to the bid specifications. Of the programs proposed, the first program above offered a guaranteed-cost approach, i.e., fixed premium with no potential dividend or premium assessment. The Farmers/Columbia program offered a modified self-insured approach. Both Transit Casualty and National Indemnity offered programs similar to Wausau Insurance Companies' dividend approach.

The Study Committee met on October 26 to review the proposals and selected the National Union/Zurich-American program proposed by Marsh & McLennan. This program was chosen for the following reasons:

- o It was the lowest-priced program proposed.
- o The allocations of premium to the participants provided for the maximum participation. That is, the costs of this program to the individual transit systems were all lower than the estimated premiums and therefore obligated all 12 of the transit systems who had committed to participate in the program.

- o Loss control engineering and claim handling would be provided by individuals experienced with transit insurance.
- o To the extent the insurers' services needed to be supplemented, Marsh & McLennan would provide any needed support.

Exhibit 2 on the following page, details the cost of the selected program and compares it to the costs of the systems' expiring programs and the premium estimates given to each system.

The results were extremely favorable. Aggregate savings for the group were approximately 47% (almost \$275,000) over the cost of expiring programs. The service package (claim handling, safety, loss reporting, etc.) was designed to meet transit system needs and, in most cases, limits of coverage as well as coverage terms were improved over the expiring programs.

Marsh & McLennan was notified of the acceptance of the National Union/Zurich-American program and was instructed to immediately proceed with orientation meetings for every Program participant. At these orientation meetings, the following subjects were discussed:

1. The scope (coverage terms and limits) of coverage provided by the basic Program.
2. Certain alternative deductible options with respect to automobile physical damage coverage.
3. Offering higher limits of liability than were provided by the basic Program.
4. Explanation of claim handling procedures.
5. Outline of safety services to be provided.

Since quotations had been received for all 18 systems, all were advised of the premium costs they would incur under the Program. Even those entities who had not committed to the Program were given the opportunity to join the Program. In addition to the 12 who had originally committed, two more elected to enter the Program.

**WISCONSIN MUNICIPAL TRANSIT
INSURANCE COMMISSION**

Vehicle Insurance Cost Comparison

	<u>Individual Insurance Program Costs*</u>	<u>Estimated Commission Program Cost</u>	<u>Actual Commission Program Cost</u>
Appleton	\$ 76,250	\$ 57,328	\$ 35,419
Beloit	26,663	20,045	16,956
Eau Claire	53,054	39,875	22,758
Fond du Lac	17,510	13,185	13,153
Green Bay	41,750	31,402	30,696
Janesville	51,316	38,587	22,430
Kenosha	122,263	91,837	44,705
Manitowoc	14,078	10,591	7,891
Merrill	2,039	1,545	4,840
Oshkosh	61,180	45,993	30,687
Racine	54,437	40,944	32,055
Rice Lake	3,134	2,371	2,370
Sheboygan	41,139	30,978	30,727
Watertown	<u>11,042</u>	<u>8,298</u>	<u>6,271</u>
 TOTALS	 \$575,855	 \$432,979	 \$300,958

* For ease of comparison, these costs were adjusted to allow for differing liability limits, some lower than \$1 million and some higher, that each system had procured. The Commission's Program provides liability limits of \$1 million, Uninsured Motorists of \$15,000/\$30,000 and physical damage per each system's expiring program. See pages 7, 11, 12 and 13 of Appendix D for actual premiums and coverages of expiring programs.

II. PROGRAM OPERATION

On December 8, representatives from each of the participating transit systems met with the broker, the consultant and the Wisconsin Department of Transportation. The purposes of this meeting were to:

1. Elect officers.
2. Provide an overview of the steps leading to the formation of the Commission and its Program to Commission members who were not part of the Study Committee.
3. Review the Commission agreement and discuss any needed modifications, and initiate development of by-laws for the Commission.
4. Receive a report from Marsh & McLennan on its progress with the orientation meetings.
5. Consider the purchase of higher limits of liability coverage and possible alternatives to physical damage deductibles.
6. Review and discuss the Agent Services Agreement (see Appendix E) to be entered into with Marsh & McLennan, Inc.
7. Discuss future responsibilities and operating goals for the Commission.

The elected officers of the Commission are:

- o Chairman - Nancy Ross, Valley Transit, Appleton
- o Vice Chairman - David Mumma, Janesville Transit System
- o Secretary/Treasurer - Michael Glasheen, Department of Transportation, Racine

The following goals and operating plans were discussed by the Commission:

- o **Immediate**
 1. Obtain the coverage forms and binders from the agent, Marsh & McLennan, Inc.
 2. Establish claim and safety service reporting relationships.

3. Develop a schedule of insurer safety inspections.
4. Determine the flow of written safety inspection reports and loss statements and identify all people who should receive such reports.
5. Establish a meeting schedule.
6. Begin work on Commission by-laws.

o **During the First Year of Operation**

1. Complete the by-laws and necessary modifications to the Commission Agreement.
2. Begin the renewal process no later than July 1, 1982 by:
 - - Evaluating the services of Marsh & McLennan and the insurer. If the program is operating smoothly, there is no apparent need to go out to bid on the program renewal.
 - - Collect complete vehicle lists, operating data and other information necessary for the agent to obtain the insurer's renewal quotation. Marsh & McLennan should help develop this information.
 - - Do not forget that the renewal quotation is due no later than October 15. This is to permit enough time to take corrective action if the insurer's renewal quote is unjustifiably high.
3. Keep transit systems who are not participating in the Program advised of the progress of the Program. Potential members should be contacted no later than July 1 to determine if they are interested in Program participation.
4. Establish a system for continual review of loss information and safety recommendation compliance. This is to spot adverse trends and to assure that all participants are acting responsibly toward loss control.
5. Attempt to raise liability insurance limits to at least \$5 million per occurrence.
6. Try to standardize physical damage coverage, particularly in the area of insuring against catastrophic losses (more than one bus damaged in a single event) such as would be covered under standard Auto Comprehensive coverage.

o **Long-Term**

1. Continually review the adequacy of liability limits in relation to inflation and the magnitude of judgments and settlements in Wisconsin.
2. Consider the need for and cost of Replacement Cost Coverage on buses. Present coverage on an actual cash value basis (replacement cost less depreciation).

3. When providing quotations to potential participants, do not submit a quotation unless the entity uses the sealed-bid approach. Without this approach, the Commission's Program is subject to being used as a lever to bargain with other providers of insurance.
4. Continually review agent and insurer services.
5. If insurer and agent services are adequate and insurance premiums reasonable, do not open to competition more frequently than every three years.
6. Do not rely on insurers and agents to keep all historical records. This information should be maintained by the Commission to permit flexibility in approaching other insurance sources. These records include loss information, premium histories and underwriting information.
7. Consider, approximately every two to four years, auditing the Program's claim handling services. The audit should be conducted by a firm that is not only experienced in performing such audits, but is also independent and free of any conflicts of interest.
8. Periodically consider self-insured approaches to vehicle insurance. This approach is not likely to produce significant savings until aggregate premium levels exceed \$500,000. Also, it is necessary to develop a strong data base to analyze the self-insurance issue. Thus, serious consideration of self-insurance is probably three years away. Again, consider using independent and objective assistance to study this issue.

APPENDIX A

PROJECT TIME SCHEDULE



SCHEDULE 1

<u>Location Number</u>	<u>Building Number</u>	<u>Values</u>	<u>Building Construction</u>	<u>No. of Floors</u>	<u>Protective Devices</u>
		Building: Contents:			
		Building: Contents:			
		Building: Contents:			
		Building: Contents:			
		Building: Contents:			
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		Building: Contents:			

- (1) Building Construction. Show Frame (F), Brick Veneer (BV), Brick (B), or Fire Resistive (FR).
- (2) Protective Devices. Show Sprinklers (SP), Burglar Alarm (BA); Fire Alarm (FA); Smoke Detectors (SD); Watchment (W); Other - describe, or None (No).
- (3) Include property in course of construction.

Vehicle Insurance Program
Organizational Framework

TIME SCHEDULE

<u>Activity</u>	<u>Target Completion Date</u>
1. Preliminary discussions with legal counsel.	April 23, 1981
2. Key decisions to legal counsel.	May 5, 1981
3. First draft of organizational agreement.	May 12, 1981
4. Final draft of organizational agreement.	May 20, 1981

Vehicle Insurance Program
Transit System Participation Decision

TIME SCHEDULE

<u>Activity</u>	<u>Target Completion Date</u>
1. Systems receive organizational agreement.	May 25, 1981
2. Systems commit to enter vehicle insurance consortium for the purpose of obtaining joint insurance bids.	July 20, 1981
3. Systems receive estimated insurance cost from the consultant.	August 15, 1981
4. Systems decide whether to enter joint insurance program, based upon the estimated cost.	October 1, 1981
5. Systems advised actual joint insurance program cost. (if the actual cost is less than or equal to the estimate, system is automatically in the joint insurance program)	October 22, 1981
6. Systems whose actual costs are greater than the estimate must decide whether or not to enter the joint insurance program.	November 15, 1981

Vehicle Insurance Program
Data Collection**TIME SCHEDULE**

<u>Activity</u>	<u>Target Completion Date</u>
1. Distribute questionnaires and request for policies, authorization letters and other information to the transit systems.	April 23, 1981
2. Receive policies, completed questionnaires and authorization letters from the transit systems.	May 15, 1981
3. Request updated premium and loss history from insurers and agents.	June 1, 1981
4. Receive updated information from insurers and agents.	July 15, 1981
5. Tabulate and summarize all data received.	August 1, 1981

Vehicle Insurance Program
Insurer/Agent Selection

TIME SCHEDULE

<u>Activity</u>	<u>Target Completion Date</u>
1. Identify potential insurers and agents to place the insurance for the group.	May 29, 1981
2. Solicit written <u>conceptual</u> proposals from the insurers and agents identified in Step 1.	June 1, 1981
3. Receive <u>conceptual</u> proposals from interested insurers and agents.	July 1, 1981
4. Transit Managers Panel meeting to review the <u>conceptual</u> proposals and invite three to five firms for interview.	July 16, 1981
5. Transit Managers Panel meeting to interview selected firms and choose one or more to obtain actual insurance quotations.	August 3, 1981

Wisconsin Urban Transit Systems
Joint Vehicle Insurance Consortium

TIME SCHEDULE

	April	May	June	July	August	September	October	November	December	1982 January
Organizational Framework (see Exhibit A)	1 (23)	2 3 4 (5) (12) (20)								
System Participation Decision (see Exhibit B)		1 (25)	2 (20)	3 (15)	4 (15)	5 (22)	6 (15)			
Data Collection (see Exhibit C)	1 (23)	2 (15)	3 (1)	4 (15)	5 (1)					
Insurer/Agent Selection (see Exhibit D)		1 (29)	2 (1)	3 (1)	4 (16)	5 (3)				
Joint Insurance Program Implementation (see Exhibit E)					1 (7)	2 (2)	3 (15)	4 (15)	5 (1)	

Notes:

- o Numbers in boxes represent the sequence of activities in each major project element as more fully described in the appended Exhibits A through E.
- o Numbers in parenthesis () indicate the date of the month in which the activity takes place.

APPENDIX B

**AGREEMENT FORMING THE
MUNICIPAL TRANSIT INSURANCE COMMISSION**



**AGREEMENT* PROVIDING FOR THE CREATION
OF A MUNICIPAL TRANSIT INSURANCE COMMISSION**

WHEREAS, sec. 66.30, Wis. Stats., provides that any **municipality** may contract with other **municipalities** for the joint exercise of any power or duty required or authorized by state law;

WHEREAS, the Wisconsin Department of Transportation has determined that it is in the best interest of the state to encourage adequate insurance of state-aided municipal **transit systems** at the best possible price;

WHEREAS, the Wisconsin Department of Transportation has funded vehicle insurance studies covering the **transit systems** of the following **municipalities**:

Appleton Beloit Eau Claire Fond du Lac Green Bay Janesville	La Crosse Kenosha Manitowoc Merrill Oshkosh Racine	Rice Lake Sheboygan Stevens Point Watertown Waukesha Wausau
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WHEREAS, the Wisconsin Department of Transportation has set up a municipal transit insurance **study committee** consisting of representatives from the Cities of Appleton, Eau Claire, Fond du Lac, Green Bay, Janesville and Racine;

WHEREAS, it appears that, if the **municipalities** join together to purchase transit vehicle insurance, such insurance might be available at a significant savings compared to the present transit insurance costs of each **municipality**;

WHEREAS, the **study committee** has provided the **municipalities** named above with estimated premiums and related services associated with a joint **insurance program**; and

WHEREAS, the municipalities joining in this agreement have reviewed the estimated premiums and find them to be comparable to or better than those currently being provided by our present transit **insurance program**;

Now, **THEREFORE**, the **municipalities** joining in this agreement, in consideration of the mutual benefits, covenants and agreements herein, and acting pursuant to resolutions adopted by their respective **governing bodies**, agree to act

together to determine the actual cost of a joint **insurance program**, and if the cost is equal or better to the estimated premium, to enter into a joint **insurance program** for an initial period of at least three years as herein described:

1. **Effective date.** This agreement shall take effect when a number of the **municipalities** listed below whose transit vehicle insurance premiums for the most recent 12-month period totals at least \$250,000 have entered into this agreement, but not before November 2, 1981. Notification as to the status of the agreement will be made in writing to each **municipality** no later than November 15, 1981.

Appleton	La Crosse	Rice Lake
Beloit	Kenosha	Sheboygan
Eau Claire	Manitowoc	Stevens Point
Fond du Lac	Merrill	Watertown
Green Bay	Oshkosh	Waukesha
Janesville	Racine	Wausau

2. **Definitions.** (a) **Board** means the board of commissioners of the Municipal Transit Insurance Commission.

(b) **Commission** means the Municipal Transit Insurance Commission.

(c) **Governing body** means county board, common council, town board or village board.

(d) **Insurance coverage** or **insurance program** means one or more commercial insurance contracts or a self-insurance program.

(e) **Municipality** means a county, city, town, village or any agency thereof.

(f) **Study committee** means the municipal transit insurance study committee.

(g) **Transit system** means an organization providing transportation by bus to the public on a regular and continuing basis.

(h) **WISDOT** means the Wisconsin Department of Transportation.

3. **Purpose and coverages.** The purpose of the Municipal Transit Insurance Commission is to administer a joint **insurance program** for its members. The coverages provided for may include protection for motor vehicle liability, motor vehicle physical damage, and such other areas of coverage as the **commission** may deem advisable.

4. **Initial membership.** Each **municipality** initially entering this agreement shall receive in writing individual actual insurance premiums. The **municipality** shall be bound to the joint **insurance program** unless the actual premium for the first year

exceeds the estimated premium provided earlier by the **study committee**. If the actual premium exceeds the estimate, a **municipality** may nevertheless elect to proceed with its participation in the **insurance program** by informing the **study committee** in writing of its decision within 30 days of the notice of the actual premium, or it may withdraw from this agreement.

5. **Membership eligibility and procedure.** The initial membership in the **commission** shall be restricted to the **municipalities** named in paragraph 1 who execute this agreement and do not withdraw under paragraph 4. Any other Wisconsin **municipality** which owns a **transit system** is eligible for membership in the **commission** upon adoption by the **governing body** of the **municipality** of a resolution which ratifies this agreement and upon approval of the **board** through a majority vote. The **commission** may set the effective date of new memberships to coincide with the beginning of new policy periods.

6. **Financial contribution.** Any member **municipality** which fails to comply with par. 24 (payment of allocated premium) shall, upon resolution of the **board**, cease to be a member in good standing, and its representative on the **board** shall be ineligible to vote until payment is made.

7. **Withdrawal.** Except as provided in paragraphs 4 and 22, no member **municipality** may withdraw from the **commission** during its initial 3-year period of membership. Thereafter, a member **municipality** may withdraw from the **commission** upon 12 months' advance written notice to that effect.

8. **Cancellation.** The **commission** shall have the right to cancel any member **municipality's** participation in the **commission** upon a two-thirds vote of the **board**.

9. **Commissioners.** Each member **municipality** shall name one commissioner to the **board** by a process of its own choice. Each commissioner shall have one vote.

10. **Commissioners' terms.** The commissioners shall serve for a period of 3 years, except that the initial terms shall be staggered so that approximately one-third of the initial terms are for one year, one-third for 2 years and one-third for 3 years.

11. **Compensation.** Commissioners shall not be paid salaries or expenses by the **commission**.

12. **Removal.** A commissioner may be removed from office by a two-thirds vote of the **board** or by the appointing **municipality** for misconduct, malfeasance, neglect of duty in office or for other good cause. Any vacancy so created shall be filled as provided in par. 14.

13. Succession. A commissioner shall hold office until his or her successor has been appointed.

14. Vacancies. Vacancies on the **board** shall be filled by the appointing **municipality** within 60 days after the occurrence of the vacancy.

15. Officers. The **board** shall meet and elect one of its members as chairman, one as vice-chairman, one as secretary and one as treasurer. The posts of secretary and treasurer may be held by one member, at the discretion of the commissioners. Each office shall be held for the term of the commissioner or 3 years, whichever is shorter.

16. Quorum. A quorum shall be a majority of the member **municipalities**, each represented by one commissioner or his or her representative, but any number of commissioners may adjourn a meeting to a later date.

17. Majority. Except as otherwise provided in this agreement or the bylaws, all resolutions, ordinances and by-laws must be approved by a majority of the commissioners.

18. By-laws. The Chairman shall have the power to designate a committee to draft by-laws. By-laws shall contain the committee structure, the rights and responsibilities of members, and general operating procedures of the **commission**.

19. Powers of the commission. The **commission** in acting under the purpose of this agreement as set out in paragraph 3 may exercise the powers granted by law to its member **municipalities**. If these **municipalities** have varying powers or duties under the law, each may act under the agreement to the extent of its lawful powers and duties. This paragraph shall supercede any conflicting provisions and shall be liberally construed. The **commission** especially possesses all powers of the member **municipalities** relating to the solicitation and evaluation of proposals for the insurance of public **transit systems**, as well as the purchase of such insurance. The **commission's** powers include, but are not limited to, the power:

(a) To conduct or contract for insurance studies and planning, and to coordinate these plans with any other political subdivision or public agency;

(b) To employ an executive director, consultant, or such other employees as it deems desirable to accomplish its purposes;

(c) To enter into contracts with **WISDOT** for consultation or other services;

(d) To make, amend and repeal all by-laws, rules and regulations not inconsistent with the purposes of this agreement as deemed necessary to the discharge of the powers, duties and functions of the **commission**.

(e) To do all acts and things necessary or convenient for the conduct of its business and the general welfare of the **commission** in order to carry out the powers granted to it by this agreement or any other law.

20. **Intergovernmental agreements.** The **commission** may enter into agreements under sec. 66.30, Wis. Stats. with any **municipality**.

21. **Duration.** The term of the **commission** shall begin immediately upon the effective date of this agreement and shall be perpetual.

22. **Dissolution.** The **commission** may be dissolved by a two-thirds vote of the **board**.

23. **Premium determination.** The **commission** shall procure levels and types of **insurance coverage** for its member **municipalities** determined by the **board** to be advisable. The **insurance coverages** provided may include those listed in par. 3 and such others as the **board** may deem advisable. The coverage shall be in the form of individual contracts between each member **municipality** and the underwriter unless the **board** determines that a different format is advisable. The **board** shall, annually by the fifteenth day of October, determine the **insurance coverages** to be procured in the following fiscal year beginning on January 1 and shall approve the total premium for this coverage. Allocation of the premium among the member **municipalities** shall be as proposed by the underwriter and accepted by the **board**. A summary of this information shall be transmitted to the member **municipalities**.

24. **Payment.** Each member shall pay its allocated premium on the terms set forth by the **commission**, the **board**, and the insurer.

25. **Public notice of meetings.** The **commission** shall notify each member **municipality** and its official newspaper of regularly scheduled and special meetings, submitting with such notice the time and place of such meeting and copies of the proposed agenda. The meetings shall be open to the public, and the **board** may establish reasonable regulations to enable members of the public to be heard on any matter coming before the meeting.

26. **Amendments.** This agreement may be amended by a two-thirds vote of the **board**. Amendments shall become effective when filed with each member **municipality**.

27. **Severability.** If any article, section, subsection, sentence, clause or provision of this agreement is held invalid, illegal or unenforceable, the remainder of this contract shall not be affected.

IN WITNESS WHEREOF, the City of _____, Wisconsin, by its Common Council, has caused this agreement to be signed by _____, its Mayor (City Manager) and _____, its City Clerk, this _____ day of _____, 1981.

City of _____,
Wisconsin

By: _____
Mayor (City Manager)

By: _____
City Clerk

State of Wisconsin)
) ss.
County of)

Personally came before me this _____ day of _____, 1981, _____, Mayor (City Manager) and _____, City Clerk, to me know to be the persons who executed the foregoing instrument and to me known to be the Mayor (City Manager) and City Clerk of the City of _____, and acknowledged that they executed the foregoing instrument as such officers of the City of _____, by its authority.

NOTARY PUBLIC, State of Wisconsin
County of _____
My commission expires _____.

APPENDIX C

INVITATION FOR CONCEPTUAL PROPOSALS



State of Wisconsin \

DEPARTMENT OF TRANSPORTATION
Division of Transportation Assistance



BUREAU OF TRANSIT
4802 Sheboygan Avenue
P. O. Box 7914
Madison, WI 53707
(608) 267-7350

As part of the transportation assistance program, the Wisconsin Department of Transportation is initiating a program to develop a statewide vehicle insurance program for 18 transit properties. Through a group purchase arrangement, we plan to procure automobile liability, physical damage and uninsured motorists insurance. To assist in developing the program, we have employed Warren, McVeigh & Griffin, Inc., independent risk management consultants.

The goals of such a program are to:

1. Improve the scope of vehicle insurance coverage.
2. Improve insurer services, particularly claim handling and safety.
3. Reduce the overall cost of insurance.

At this time, we are requesting conceptual proposals from several firms qualified to provide the desired coverage. Your firm is invited to submit a written proposal outlining the services it can provide and its approach to the group insurance program. We are not requesting insurance bids at this time.

Following a review of written proposals, several firms will be selected to make oral presentations. Following the oral presentations we will select one or more firms to provide actual insurance quotations, with the goal being to implement a group insurance program on January 1, 1982.

The enclosed information is provided to give you an outline of the exposures and the desired program. If you have any questions concerning this information or the needs of the transit properties, please call Michael R. Kaddatz of Warren McVeigh & Griffin, Inc., at (714) 752-1058.

Thank you for your interest in the program. We look forward to hearing from you.

Sincerely,

James A. Beckwith, Chief
Public Transit Section

Enclosure

cc: Michael M. Kaddatz

Wisconsin Municipal Transit Insurance Study Group
INVITATION FOR BROKER SERVICES PROPOSAL

A. Invitation

Your firm is invited to submit a conceptual proposal outlining its qualifications to market and service the insurance coverages needed by the Wisconsin Municipal Transit Insurance Study Group (hereinafter referred to as "the Group"). This procedure is being undertaken to permit an orderly approach to the insurance marketplace on the Group's behalf to secure:

1. Automobile Liability Insurance,
2. Uninsured Motorists Insurance, and
3. Automobile Physical Damage Insurance.

However, this invitation is not an authorization to approach the insurance marketplace at this time. The Group specifically requests that no contact or solicitation of insurance markets be made on behalf of the Group and that no insurance market reservations be made by or for any proposer as respects any insurance or reinsurance to be provided for the Group. Failure to comply with this request will be grounds for immediate disqualification.

B. Plan of Action

Written proposals in response to this invitation must be submitted no later than 5:00 p.m., July 9, 1981, at the offices of:

Mr. Michael M. Kaddatz
Warren, McVeigh & Griffin, Inc.
1420 Bristol Street North
Suite 220
Newport Beach, California 92660

and

Mr. James Beckwith, Chief
Public Transit Section
Wisconsin Bureau of Transit
P. O. Box 7914
Madison, Wisconsin 53707

All written proposals will be reviewed by the Group and its consultants by July 17, 1981. Personal interviews with selected organizations will be conducted on or before August 10, 1981. If your firm is considered for an oral presentation, you will be contacted by July 20, 1981 regarding the time and location of your interview.

Following the interviews, a decision will be made to:

1. Select a single broker and provide this broker with exclusive authority to market the insurance broker.
2. Choose more than one broker or insurer to obtain competitive quotations.

The consultants will provide detailed specifications and complete underwriting information for the marketing of the program.

The target program implementation date is January 1, 1982.

C. Evaluation Criteria

Brokers will be evaluated on their abilities to market the insurance and service the other related needs of the Group. Please keep your proposal brief and to the point. You will be able to provide additional details during the oral interviews.

1. General Information

- a. Give name and address of firm, date established and brief description of agency's historical background.
- b. State the number of personnel in your office and their general duties.
- c. Describe briefly the business experience and professional achievements of persons in your firm who would be assigned to work on this account. Also state the function each person will perform for the Group.

2. Prior Experience

Describe current and/or prior experience of your firm in providing liability insurance for:

- a. Public agencies, in general. Identify the public agency, the types of insurance placed, the name of an official of such public agency who may be contacted for reference, and a telephone number.
- b. Public transit agencies, livery services, and bus lines, in particular. Identify each transit agency, the types of insurance placed, the name of an official of such firm who may be contacted for reference, and a telephone number.
- c. Group insurance-purchasing programs. Identify any self-insurance pools or group insurance purchasing programs for which you have provided insurance coverage in the past. State the type of insurance placed and give references as above.

3. Broker Remuneration

Set forth the precise method by which your firm would be compensated for services rendered, i.e., fees, commissions or a combination. Identify how the amount of such fees or commissions will be determined.

4. Other Information

Include any additional information about your firm, which you feel will aid the Group in evaluating your competence, capabilities and resources, but keep it brief and to the point.

5. Proposed Marketing Plan

Describe in detail how your firm would market the Group's automobile insurance program, including a list of insurers you would utilize. Include in this description the rating systems or methods you would seek to achieve the best overall coverage at the lowest price. If any insurance placement is to be made through a

surplus lines broker (SLB) and/or a managing general agency (MGA), please identify each SLB or MGA along with each insurer they would contact. Be assured that your marketing approach will not be divulged to others.

6. Services

Describe in detail the other services your firm can directly provide the Group. Specifically, does your agency provide loss control, risk management and claim adjusting services? Would you be available to help sell the Group program to the governing bodies of the participants? Be specific in your description of the auxiliary services your firm could provide, the professional qualifications of personnel who would provide such services, and the rates upon which fees for these services are based.

E. Types of Insurance Required

The Group is seeking broad automobile liability coverage, uninsured motorists insurance and automobile physical damage protection. For the most part, the exposures arise from typical operations of transit properties, exclusive of elderly and handicapped transit programs.

Initially, we expect automobile liability coverage at a \$1 million limit will be required.

An automobile physical damage insurance program is to be arranged for Group member agencies. This exposure is to be a group insurance purchase arrangement with nominal deductibles. Not all entities presently buy physical damage coverage.

In addition, uninsured motorists insurance is desired to limits of \$15,000/\$30,000.

F. Underwriting Information

We estimate present premiums for the entire Group to be \$500,000 to \$600,000. Basic information regarding the size and activity of the Group's members is provided in the appended exhibits. You should use this material to consider coverage alternatives, service problems you could encounter (and how you might solve them), and possible

fee/commission arrangements. This information will be updated and expanded upon when the Group solicits premium and coverage quotations. REMEMBER: THE GROUP DOES NOT DESIRE PREMIUM QUOTATIONS AT THIS TIME. PROPOSERS WHO CONTACT INSURERS OR REINSURERS WILL BE DISQUALIFIED.

Wisconsin Municipal Transit Insurance Study Group



Wisconsin Municipal Transit Insurance Study Group

OPERATING INFORMATION

1981 ESTIMATES

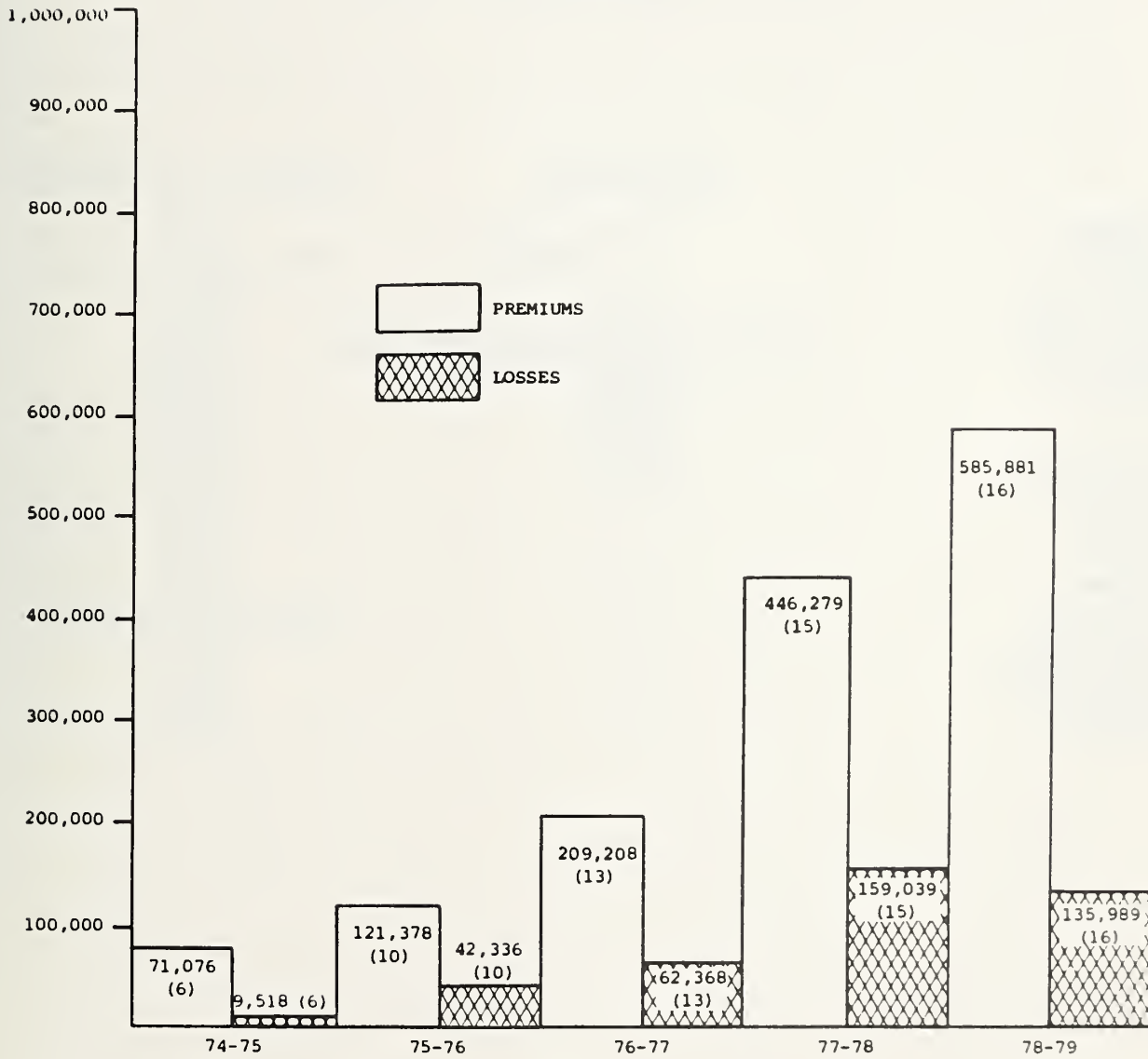
<u>Transit System</u>	<u>Number of Vehicles</u>		<u>Revenue Miles</u>	<u>Revenue Passengers</u>	<u>1980 Urban Area Population</u>
	<u>Buses</u>	<u>Other</u>			
Appleton	38	1	741,000	1,414,494	134,042
Beloit	8 (1)	1 (1)	245,426	390,000	35,207
Eau Claire	19	2	675,300	1,200,000	67,747
Fond du Lac	12	1	305,220	520,000	39,707
Green Bay	22 (1)	3 (1)	1,310,453	2,345,598	132,159
Janesville	22	3	529,000	815,144	51,071
Kenosha	34	2	1,133,000	1,625,000	77,685
La Crosse	39	3	750,580	1,370,000	48,347
Manitowoc	7	1	212,911	400,000	45,647
Merrill	4	0	90,000	100,000	9,578
Oshkosh	34	2	590,006	1,100,000	49,678
Racine	25	4	1,020,389	2,401,433	106,665
Rice Lake	3	0	78,152	102,414	7,691
Sheboygan	28	0	844,800	1,550,000	54,989
Stevens Point	7	0	205,435	167,329	25,663
Watertown	3	0	161,304	110,000	18,113
Waukesha (2)			104,705	59,910	
Wausau	25	2	519,793	1,177,109	37,990

(1) Current figures not yet available; May 1980 numbers shown.

(2) The Waukesha system is not operating yet, but is expected to start providing service in 1981.

Wisconsin Municipal Transit Insurance Study Group

AUTO LIABILITY LOSSES + PREMIUMS



Note: The numbers in parenthesis are the numbers of systems reporting information for the year indicated.

Source: May, 1980 Vehicle Insurance Study, by Warren, McVeigh & Griffin, Inc.

Wisconsin Municipal Transit Insurance Study Group

LIABILITY LOSSES GREATER THAN \$10,000

1974-1979

	<u>Date of Loss</u>	<u>Amount of Loss Incurred</u>
Appleton	—	None
Beloit	—	Information Unavailable
Eau Claire	—	None
Fond du Lac	—	None
Green Bay	7/24/78	\$20,000
Janesville	10/9/78	\$15,000
Kenosha	12/18/78	\$12,000
	6/22/77	\$30,000
La Crosse	8/24/75	\$13,000
Manitowoc	—	None
Merrill	—	None
Oshkosh	—	None
Racine	—	None
Rice Lake	—	Information Unavailable
Sheboygan	—	None
Stevens Point	—	None
Watertown	—	None
Wausau	—	None

Source: May, 1980 Vehicle Insurance Study, by Warren, McVeigh & Griffin, Inc.

APPENDIX D

INSURANCE BID SPECIFICATIONS



Wisconsin Municipal Transit
Insurance Commission

INSURANCE BID SPECIFICATIONS

Coverage Effective Date: January 1, 1982

Bid Due: October 21, 1981 - 2:00 p.m. CDST

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I. BACKGROUND

In 1980, the Wisconsin Department of Transportation conducted a study of the vehicle insurance programs of 19 Wisconsin urban transit systems. The study was performed by an independent risk management consulting organization. Key findings were:

1. Loss experience of the group has been extremely favorable.
2. A group purchase of insurance would be desirable.
3. A stable relationship with insurer(s) should be established.
4. An increased level of service from insurer(s) should be sought to support the Group's own loss control and other risk management activities.

Eighteen Wisconsin transit systems are now seeking bids for a group insurance purchase. A limited number of markets are being approached.

It is anticipated that all or most of the participating transit systems will effect their insurance through the successful bidder. However, bidders must indicate, in complying with specifications Section II-G, whether rates, rating plans, or rating factors would change according to the number of systems included in the group insurance purchase. Note: A minimum standard premium level of \$250,000 has been established for program implementation.

II. GENERAL INSTRUCTIONS

A. DEADLINE

Bids are to be submitted in duplicate and must be received no later than 2:00 p.m., CDST, October 21, 1981.

One copy must be submitted to:

Mr. James Beckwith, Chief
Public Transit Section
Bureau of Transit
Department of Transportation
4802 Sheboygan Avenue
Madison, Wisconsin 53707

The second copy must be submitted to:

Mr. Michael M. Kaddatz, CPCU
Warren, McVeigh & Griffin, Inc.
1420 Bristol Street North, Suite 220
Newport Beach, California 92660

B. INQUIRIES

Questions should be directed to Mike Kaddatz, Warren, McVeigh & Griffin, Inc. (714) 752-1058.

C. ADHERENCE TO SPECIFICATIONS

Bidders should address each area included in the specifications.

The bidder's proposed program will be judged on breadth of coverage first, followed by the considerations of premium and the availability of services (from the insurers, agent(s) or other service providers).

D. RIGHT TO REQUEST MODIFICATION

To ensure that quotations best meet the Group's needs, the Group shall retain the right to request modifications to quotations received and to approve quotations subject to their being modified to meet the Group's needs.

E. COVERAGE TERM AND RENEWAL QUOTATION

Coverage is to commence January 1, 1982. Policy terms exceeding one year are acceptable, but quotations must clearly show how anniversary premiums would be determined. Also, annual renewal quotations must be released to the Group not later than October 1 preceding each policy year.

F. SPECIMEN POLICIES

Complete specimen copies of policies and endorsements for all coverages must be included with the proposal. If a coverage is divided among more than one insurer, forms must be included for each insurer.

G. CANCELLATION AND NONRENEWAL

Insurers must give the Group at least 60 days' notice prior to cancellation or nonrenewal.

H. NOTICE OF LOSS

The notice of loss provision should be amended to require notice as soon as practicable after the individual in charge of administering the transit system's insurance has knowledge of an accident, occurrence or claim.

I. INSPECTIONS

Bidders are encouraged to inspect Group operations and premises before submitting bids. Arrangements should be made through Mike Kaddatz, Warren, McVeigh & Griffin (714) 752-1058.

J. NAMED AND ADDITIONAL INSUREDS**1. Named Insureds**

- (a) Each individual transit system,
- (b) Each individual municipality (and one private firm) operating the transit system,
- (c) City Council and all Boards and Commissions including any individual members thereof while acting for or on behalf of any named insured,
- (d) Any officer, elected or appointed official, contract employee, servant, employee or volunteer worker of any named insured while acting for or on behalf of any named insured.

K. INSURER FINANCIAL RATING

Insurers must be acceptable to the Group. All insurers must be identified by:

1. Full name.
2. Rating, according to the latest edition of Best's Key Rating Guide.
3. Status as insurers admitted or nonadmitted in Wisconsin.

If a company (other than Lloyd's, London) is not rated, current financial information must accompany the quotation.

L. PREMIUM DETERMINATION

The following information must be shown separately for each individual transit system:

1. Premium payment terms.
2. For each coverage:
 - (a) Annual premium
 - (b) Basis of premium and rate per unit of exposure.

If a loss-responsive rating plan is proposed, the following additional information must be shown:

3. Plan term (one year, three years, etc.).
4. Number and timing of retro or dividend calculations.
5. Timing of return (or additional) premiums.
6. Effect of cancellation or nonrenewal on subsequent calculations.
7. Will calculation worksheets be made available to the Group?
8. How are losses entering the calculation determined (e.g. incurred losses only, incurred losses plus IBNR and loss development factors, etc.)?
9. Alternative plans available through same insurer.
10. Has the carrier failed to pay dividends or other premium returns when earned anytime during the past five years?

M. CLAIM ADMINISTRATION

A detailed explanation should be included as to how claims will be handled. Give the name and address of the claim handling organization(s), if other than insurer personnel. All adjustment and defense expenses which are not included in premiums should be clearly set out in the response to subsection G, above.

In addition, insurers must agree to permit review of claim files by an independent, professional claim auditing firm.

N. LOSS CONTROL SERVICES

The Group is seeking strong safety and loss control services to support current safety activities. Bids should clearly set forth what safety activities will be provided, including the minimum number of visits each transit system can expect, seminars and other training programs to be conducted, etc.

O. DELIVERY OF BINDERS

The successful bidder(s) will be required to deliver binders within three working days of bid acceptance. If the Group does not receive binders within three working days, the Group reserves the right to award coverage to the bidder with the next best program.

Binders must either be signed by insurers, or signed by the bidder and accompanied by evidence of binding authority.

P. BROKER'S REMUNERATION (If applicable)

For each line of insurance, bidders should show the commission percentage and commission amount. If fees will be accepted in lieu of or in combination with commissions, the amount of fees and the method of their determination should be shown. Any and all fees must be further allocated to each transit system.

III. COVERAGE SPECIFICATIONS

A. COVERAGE

1. Comprehensive automobile liability^{*}, or its equivalent, including all owned, hired and nonowned vehicles.
2. Uninsured motorist.
3. Automobile physical damage.

B. LIMITS

1. Automobile liability; \$1,000,000 CSL
2. Uninsured motorist; \$15,000/\$30,000
3. Physical damage (ACV or Stated Amount per individual system requirements).

C. DEDUCTIBLES/RETENTIONS

1. Automobile liability; none (first dollar)
2. Uninsured motorist; none (first dollar)
3. Physical damage; as shown on Appendix F

* The "fellow employee" exclusion must be deleted. This is necessary to comply with Wisconsin state statutes under which governmental entities must defend and indemnify employees in connection with work-related activities.

Wisconsin Municipal Transit Insurance Commission

PRESENT INSURANCE PROGRAM ANNUALIZED INSURANCE PREMIUMS¹

<u>District</u>	<u>Expiration Date</u>	<u>Liability</u>	<u>Uninsured Motorist</u>	<u>Medical Payments</u>	<u>Physical Damage</u>	<u>Total</u>
Appleton	1/1/82	63,314	140		6,921	70,375
Beloit	1/1/82	30,498	48		2,875	33,421
Eau Claire	1/1/82	40,014	84		6,638	46,736
Fond du Lac	1/1/82	11,785	65		3,839	15,689
Green Bay	1/1/82	51,021	Included	Included	1,919	52,940
Janesville	3/1/82	34,238 ²	Included		No Cov.	34,238 ²
Kenosha	1/1/82	101,652	140	16	2,592	104,400
LaCrosse	1/1/82	26,041	128		6,400	32,569
Manitowoc	1/1/82	11,101	32		1,201	12,334
Merrill	3/1/82	568	20	28	1,380	1,996
Oshkosh	7/28/82	50,424	108		10,756	61,288
Racine	7/1/82	40,400	Included		14,037	54,437
Rice Lake	1/1/82	1,894	25		937	2,856
Sheboygan	10/1/82	41,139	Included		Included	41,139
Stevens Point	1/1/82	4,928	24		1,019	5,971
Watertown	1/1/82	7,477	16	605	2,817	10,915
Waukesha	8/10/82	25,524	Included		3,794	29,318
Wausau	<u>1/1/82</u>	<u>30,496</u>	<u>145</u>	<u>1,184</u>	<u>1,548</u>	<u>33,373</u>
TOTAL		<u>572,514</u>	<u>975</u>	<u>1,833</u>	<u>68,673</u>	<u>643,995</u>

¹ For present fleet

² Coverage has \$5,000 deductible

WISCONSIN MUNICIPAL INSURANCE TRANSIT COMMISSION

Primary Vehicle Liability Premium and Loss Summary

Transit System	1976/77			1977/78			1978/79			1979/80			1980/81		
	Premium	Losses (\$)	LR %	Premium	Losses (\$)	LR %	Premium	Losses (\$)	LR %	Premium	Losses (\$)	LR %	Premium	Losses (\$)	LR %
Appleton				54,023	20,022 (36)	37	57,477	41,717 (23)	73	20,880*	24,533*	117	55,939	19,416 (30)	35
Beloit	3,572	401 (2)	11	6,681	1,170 (3)	18	21,924	857 (6)	4	25,056	5,840 (6)	23		541 (3)	
Eau Claire	21,149	6,229 (10)	29	27,228	1,201 (7)	4	36,636	949 (9)	3	31,103	2,864 (9)	9	34,495	695 (5)	2
Fond du Lac	11,286	5,236	46	19,843	3,912	20	24,260	9,547	39	19,440	3,193	16	12,282	192 (3)	2
Green Bay	20,693	1,237 (5)	6	35,864	7,516 (22)	21	50,952	23,483 (8)	46	46,724	10,690 (14)	23	43,983	25,664 (17)	58
Janesville	18,021	5,231 (7)	29	26,243	23,680 (23)	90	78,576	21,196 (9)	27	65,588	2,877 (10)	4		8,789 (7)	
Kenosha	13,128	4,071 (18)	31	33,866	36,368 (27)	107	39,844	32,150 (32)	81	57,886	4,542 (17)	(9)	85,523	10,739 (20)	13
La Crosse	30,301	8,392 (9)	27	41,637	11,348 (12)	27	45,075	1,869 (9)	4	38,139	13,280 (26)	35	33,718		
Manitowoc							18,990	2,364 (1)	12	18,158	7,599 (4)	42	16,638	621 (7)	4
Merrill	4,032	42 (1)	1	5,814	931 (2)	16	6,801	195 (5)	3	4,599	527 (2)	11	7,420	1,115 (2)	15
Oshkosh				72,392	109 (4)	9	55,167	5,339 (14)	10	65,392			41,428	21,323 (17)	51
Racine	38,048	18,711 (55)	49	55,624	33,609	60	56,224	14,662 (14)	26	66,800	11,635	17	66,304	7,070	11
Rice Lake	1,597	0 (0)	0	10,132	0 (0)	0	6,785	214 (1)	3	4,327	0 (0)	0	2,157	92 (1)	4
Sheboygan	22,300	6,463 (9)	29	31,000	16,219 (42)	54	41,000	18,699 (40)	46	36,698	80,136	218	41,138	8,150	20
Stevens Point	7,803	575 (5)	7	2,235	914 (6)	41	8,255	1,144 (2)	14	8,693	963 (2)	11	10,063	0	0
Watertown	2,962	0	0	3,262	0 (0)	0	3,967	1,664 (4)	42	3,951					
Wausau	15,390	7,853 (20)	51	30,567	5,711 (11)	19	34,754	5,853 (13)	17	23,435	11,711	50	31,803	23,034 (16)	72

*4 months only.

Blank spaces indicate information is presently unavailable.

WISCONSIN MUNICIPAL TRANSIT INSURANCE COMMISSION
Vehicle Physical Damage Premium and Loss Summary

Transit System	1976/77			1977/78			1978/79			1979/80			1980/81		
	Premium	Losses (#)	LR %	Premium	Losses (#)	LR %	Premium	Losses (#)	LR %	Premium	Losses (#)	LR %	Premium	Losses (#)	LR %
Appleton															
Beloit	349			1,922			2,533	180	20	854	170	20	3,582	716	20
Eau Claire	4,916			5,159			5,674	0	0	6,552	0	0	6,598	0	0
Fond du Lac	689	3,467	503	807	1,273	158	2,477	2,288	92	5,467	0	0	4,473	335 (1)	8
Green Bay															
Janesville															
Kenosha	2,553	791 (7)	31	5,766	1,457 (7)	25	7,396	2,212 (10)	30	7,396					
La Crosse	7,766	110 (1)	14	11,300	540 (1)	5	13,382	0	0	11,642	1,155 (6)	10	14,146		
Manitowoc							118			836			1,284		
Merrill	1,284	0	0	1,284	107 (2)	8	882	4,103 (3)	465	1,380	362 (1)	26	1,380	0	0
Oshkosh										11,912	0	0	10,756	0	0
Racine	20,385	1,099 (6)	5	21,973	4,817 (3)	30	13,034	3,449 (1)	26	11,562	156 (1)	1	15,713	60	4
Rice Lake	374	0	0	1,484	0	0	1,764	799 (5)	45	2,036	127 (2)	6	1,077	636 (3)	59
Sheboygan	6,315	0	0	6,300	0	0	6,287	0	0		0	0	0	0	0
Stevens Point				*			*	1,761 (16)		*	1,730 (7)		1,456	0	0
Watertown															
Wausau	503	1,884 (1)	375	2,498	0	0	1,982	0	0	1,518	0	0	1,255	0	0

*Included in Liability Premium.

Blank spaces indicate information is presently unavailable.

Appendix D

Wisconsin Municipal Transit Insurance Commission

VEHICLE LIABILITY LOSSES OVER \$10,000

	<u>Date of Loss</u>	<u>Amount Incurred</u>	<u>Description</u>	<u>Status</u>
Appleton	2/8/79	\$18,216	Passenger fell while entering	Closed
Beloit	None			
Eau Claire	None			
Fond du Lac	None			
Green Bay	7/24/78	15,550	Intersection collision	Closed
Janesville	9/28/77	12,185	Bus rearended private passenger auto	Closed
Kenosha	None			
LaCrosse	8/24/75	13,500	Intersection	Closed
Manitowoc	None			
Merrill	None			
Oshkosh	None			
Racine	None			
Rice Lake	None			
Sheboygan	During 10/1/79-80 Policy Year	75,000	Bus collided with motorcycle	Open
Stevens Point	None			
Watertown	None			
Wausau	None			

Appendix E

Wisconsin Municipal Transit Insurance Commission

SUMMARY OF PRESENT VEHICLE LIABILITY INSURANCE COVERAGE

<u>Transit System</u>	<u>Expiration Date</u>	<u>Primary Liability Limits (\$000's)</u>	<u>Excess Liability Limits (\$000's)</u>	<u>Uninsured Motorists Limits (\$000's)</u>	<u>Medical Payments Limits</u>
Appleton	1/1/82	500/1000/500	2,000	15/30	—
Beloit	1/1/82	5,500 Buses 500 pickup	5,000	15/30	—
Eau Claire	1/1/82	500	2,000	15/30	—
Fond du Lac	1/1/82	500	1,000	30	—
Green Bay	1/1/82	5,000	—	30	1,000 ²
Janesville	3/1/82	500 ¹	4,500	15/30	—
Kenosha	1/1/82	500	5,000	15/30	5,000 ²
La Crosse	1/1/82	300/500/200	1,000	15/30	—
Manitowoc	1/1/82	550 Buses 500 Car	500	15/30	—
Merrill	3/1/82	500	2,000	30	1,000
Oshkosh	7/28/82	1,000	—	15/30	—
Racine	7/1/82	1,000	—	15/30	—
Rice Lake	1/1/82	500	500/1000	30	—
Sheboygan	10/1/82	1,000	1,000	30	—
Stevens Point	1/1/82	100/300/100	1,000	15/30	—
Watertown	1/1/82	500/100/100	—	15/30	1,000
Waukesha	8/10/82	10,000	—	15/30	—
Wausau	1/1/82	1,500	1,000	30	1,000

¹ \$5,000 deductible

² Private passenger vehicles only.

Wisconsin Municipal Transit Insurance Commission

TABLE OF PHYSICAL DAMAGE COVERAGE¹

Vehicle Code Key = 1 - all vehicles, 2 - buses only, 3 - all vehicles except buses

	<u>Vehicle Code</u>	<u>Collision Deductible</u>	<u>Comprehensive Deductible</u>	<u>Other (Describe) Deductible</u>
1. Appleton ²	1	—	—	F,T,CAC,VNM (no ded.)
	Pickup truck	\$100	—	—
2. Beloit	1	—	\$50	—
	2	500	—	—
	3	250	—	—
3. Eau Claire ⁴	2	1,000	—	Specified perils (no ded.)
	3	250	no ded.	—
4. Fond du Lac ⁴	2	1,000	50	—
	3	—	—	Specified perils (no ded.)
5. Green Bay	1	—	50	—
	2	1,000	—	—
	3	250	—	—
6. Janesville			* No Coverage *	
7. Kenosha	2	1,000	—	—
	3	250	—	—
8. LaCrosse	2	250	—	—
9. Manitowoc	2	—	—	F, theft (no ded.)
	3	—	50	—
10. Merrill	2	250	—	—
11. Oshkosh	2	1,000	no ded.	—
	(1980 model year only)			
12. Racine	2	1,000	—	Fire, theft, CAC lightning, transp. (\$1,000 ded.)
	3	250	—	\$250 ded.

TABLE OF PHYSICAL DAMAGE COVERAGE (continued)

	<u>Vehicle Code</u>	<u>Collision Deductible</u>	<u>Comprehensive Deductible</u>	<u>Other (Describe) Deductible</u>
13. Rice Lake	2	\$100	no ded.	—
14. Sheboygan ⁴	2	100	—	Specified perils (no ded.)
15. Stevens Point	1	250	no ded.	—
16. Watertown ³	2		—	Fire, theft, CAC lightning, transp. (no ded.)
	1981 model	250		
	1971 model	500		
17. Waukesha ³	1	1,000	—	Fire, theft, CAC (1,000 ded.)
18. Wausau ⁵	2	—	—	Limited specified perils (200 ded.)
	Pickup truck	—	no ded.	—
	Buick Century	100	—	—

Notes

1. All coverage is actual cash value except where noted below.
2. For Appleton,
 - a. Glass is covered for collision only.
 - b. Valuations are stated amounts; refer to Appleton vehicle summary. Coverage is for the lesser of stated amount or repair/replacement cost (ACV has been eliminated entirely from valuation criteria).
 - c. The following wording applies:

It is understood and agreed that the perils insured against is amended to include, but not limited to:

Lightning, smoke or smudge due to a sudden unusual and faulty operation of any fixed heating equipment serving the premises in which the covered automobile is located; riot or civil commotion; the forced landing or falling of any aircraft or its parts or equipment; external discharge or leakage of water.
3. Valuations are stated amounts; refer to Watertown and Waukesha vehicle summaries.
4. Specified perils cover loss from fire or explosion; theft, windstorm, hail or earthquake; flood; the sinking, burning, collision or derailment of any conveyance transporting the covered vehicle; mischief or vandalism.
5. Limited specified perils excludes mischief and vandalism from specified perils coverage. See note 4 for remaining perils covered.

WISCONSIN DEPARTMENT OF TRANSPORTATION APPENDIX G
NUMBER OF REVENUE PASSENGERS

DISTRICT	1977	1978	1979	1980	1981
APPLETON	966000	1007000	1153936	1304448	1414494
BELOIT	144000	294000	309479	347653	390000
EAU CLAIRE	1001000	1005000	1115729	1190284	1200000
FOND DU LAC	317000	341000	401401	435876	520000
GREEN BAY	1208000	1579000	1795193	1940956	2345598
JANESVILLE	760000	728000	586705	675906	815144
KENOSHA	1064000	1154000	1323521	1342852	1625000
LA CROSSE	1086000	1098000	1224739	1356670	1370000
MANITOWIC	123000	235000	303750	358880	400000
MERILL	88000	94000	84128	80692	100000
OSHTOSH	677000	752000	824952	946823	1100000
RACINE	1492000	1541000	2072698	2313158	2401433
RICE LAKE	79000	87000	101003	99260	102414
SHEBOYGAN	1104000	1239000	1440734	1492414	1550000
STEVENS PT.	149000	129000	138053	152733	167329
WATERTOWN	80000	80000	66568	44306	110000
WAUKESHA	0	0	0	0	59910
WAUSAU	822000	930000	1002513	1096220	1177109
TOTAL	11160000	12293000	13945102	15178531	16848431

WISCONSIN DEPARTMENT OF TRANSPORTATION APPENDIX H
NUMBER OF REVENUE MILES

DISTRICT	1977	1978	1979	1980	1981
APPLETON	750000	750000	739000	661000	741000
BELOIT	138000	270000	245426	275307	245426
EAU CLAIRE	625000	744000	707275	707062	675300
FOND DU LAC	265000	274000	283935	302976	305220
GREEN BAY	837000	1066000	1058757	1161082	1310453
JANESVILLE	507000	477000	493000	509000	529000
KENOSHA	589000	712000	715000	1054000	1133000
LA CROSSE	91000	626000	634475	771800	750500
MANITOWIC	101000	194000	205745	248295	212911
MERRILL	104000	103000	91111	94000	90000
OSHKOSH	315000	355000	393764	474539	590006
RACINE	994000	983000	978173	1006345	1020389
RICE LAKE	67000	73000	73039	78152	78152
SHEYBOYGAN	826000	830000	850000	853431	844800
STEVENS PT.	168000	178000	184643	193803	205435
WATERTOWN	90000	113000	113900	161304	161304
WAUKESHA	0	0	0	0	104705
WAUSAU	326000	429000	431893	444526	519793
TOTAL	6793000	8177000	8199136	8996622	9517474

Wisconsin Department of Transportation

RISK MANAGEMENT ADMINISTRATION

	<u>Safety Program</u>	<u>Safe Driver Awards</u>	<u>Driver Training Program</u>	<u>Claims Procedure</u>	<u>Witness Cards</u>
Appleton	Yes	Yes	Yes	Yes	Yes
Beloit	Yes	Yes	Yes	Yes	Yes
Eau Claire	No	Yes	Yes	Yes	Yes
Fond du Lac	Yes	Yes	Yes	Yes	Yes
Green Bay	Yes	Yes	Yes	Yes	Yes
Janesville	Yes	Yes	Yes	Yes	Yes
Kenosha	Yes	Yes	Yes	Yes	Yes
La Crosse	No	Yes	Yes	Yes	Yes
Manitowoc	No	Yes	Yes	Yes	Yes
Merrill	Yes	Yes	Yes	Yes	
Oshkosh	Yes	Yes	Yes	Yes	Yes
Racine	Yes	Yes	Yes	Yes	Yes
Rice Lake	No	No	No	Yes	Yes
Sheboygan	Yes	Yes	Yes	Yes	No
Stevens Point	Yes	No	Yes	Yes	Yes
Watertown	No	No	Yes	Yes	No
Waukesha	Yes	Yes	Yes	Yes	Yes
Wausau	Yes	Yes	Yes	Yes	Yes

Wisconsin Department of Transportation

VEHICLE OPERATIONS

	<u>Number of Buses</u>	<u>Most Buses Operating at Peak hours</u>	<u>Fewest Buses Operating at Off-Peak Hours</u>
Appleton	33	24	12
Beloit	11	9	5
Eau Claire	19	16	12
Fond du Lac	12	11	5
Green Bay	26	21	18
Janesville	22	19	7
Kenosha	33	25	10
La Crosse	29	21	11
Manitowoc	7	6	4
Merrill	4	3	2
Oshkosh	27	22	11
Racine	27	23	21
Rice Lake	5	2	1
Sheboygan	30	16	8
Stevens Point	5	3	3
Watertown	4	3 (1)	3 (1)
Waukesha	11	9	6
Wausau	27	14	7
	<hr/>	<hr/>	<hr/>
Total	332	247	146

¹Consultant's Estimate

Appendix K

Wisconsin Department of Transportation

BUS OPERATORS

	<u>Number of Full-Time Bus Operators</u>	<u>Number with Formal Defensive Driving Training</u>	<u>Average Years' Experience</u>	<u>Driving Records Obtained Before Hiring</u>
Appleton	25	0	7	Yes
Beloit	14	14	8	Yes
Eau Claire	26	0	7	Yes
Fond du Lac	10	0	5	Yes
Green Bay	43	20	6.5	Yes
Janesville	16	16	5.9	Yes
Kenosha	38	35	5	Yes
La Crosse	33		6.5	Yes
Manitowoc	8		3.75	Yes
Merrill	3		6	Yes
Oshkosh	22	19	7.5	Yes
Racine	42	42	5	Yes
Rice Lake	2			Yes
Sheboygan	23	23	7	Yes
Stevens Point	6	6	5	Yes
Watertown	6	0	4	Yes
Waukesha	11	6		Yes
Wausau	17	17	7.8	Yes
	<hr/>	<hr/>		
Total	345	198		

Wisconsin Department of Transportation

CHARTER SERVICES

	<u>1981 Charters</u>	<u>1981 Charter Mileage</u>	<u>Use of Service</u>
Appleton	0	0	_____
Beloit	0	0	_____
Eau Claire	60	400	Short Shuttles, City Tours
Fond du Lac		3,000	Area Conventions Social & Civic Clubs
Green Bay	0	0	_____
Janesville	0	0	_____
Kenosha	30	450	Local for Senior Citizens, Courts, City Business
La Crosse	0	0	_____
Manitowoc	0	0	_____
Merrill	30	2,000	Tours of Local Factories Points of Interest
Oshkosh	60	23,500	Local Business Groups and Conventions
Racine	200	5,000	Local - Business and Social Groups
Rice Lake	0	0	_____
Sheboygan	0	0	_____
Stevens Point	0	0	_____
Watertown	0	0	_____
Waukesha	15		Local
Wausau	0	0	_____
Total	395	34,500	

Wisconsin Department of Transportation

GARAGE AND MAINTENANCE FACILITIES

Owner	Year Built	# Square Feet	Maximum Buses Housed Together	Service Hoists or Pits	Other Uses of Facilities
Appleton	1947	23,000	33	0	None
Beloit	1952	16,000	11	1	None
Eau Claire	1952	40,000	19	3	Maintain school buses
Fond du Lac	1962/1973	Unknown	12	0	All City vehicles
Green Bay	1920-1940	32,500	29	4	None
Janesville	1960/1979	25,000	22	2	None
Kenosha	1975	19,880	35	1	None
La Crosse	1976	19,130	24	3	Separate Area
Manitowoc	1977	6,560	7	1	None
Merrill			4		Bus Storage and Maintenance
Oshkosh	1968 (remodeled 1980)	25,000	31	2	None
Racine	1977	21,440	27	2	None
Rice Lake	1977	3,600	6	1	None
Sheboygan	1975		26 + 2 vans	3	None
Stevens Point	1963		6 + 1 van	1	All City Equipment Except Fire
Watertown	1978			1	School Buses
Waukesha					Truck Repair
Wausau	1979	38,000	27	2	None

Glenn Peterson

Ione Kerr

Contractor

City

Wisconsin Department of Transportation

VEHICLE SUMMARY*

	<u>Buses</u>	<u>Private Passenger Car</u>	<u>Other Vehicles</u>	<u>Total Vehicles</u>
Appleton	33	1	1	35
Beloit	11	0	1	12
Eau Claire	19	0	2	21
Fond du Lac	12	0	1	13
Green Bay	26	1	2	29
Janesville	22	2	1	25
Kenosha	33	1	1	35
La Crosse	29	2	1	32
Manitowoc	7	1	0	8
Merrill	4	0	0	4
Oshkosh	27	0	0	27
Racine	27	1	3	31
Rice Lake	5	0	0	5
Sheboygan	30	1	0	31
Stevens Point	5	0	1	6
Watertown	4	0	0	4
Waukesha	11	1	0	12
Wausau	27	1	1	29
	<hr/>	<hr/>	<hr/>	<hr/>
Total	332	12	15	359

* Refer to Appendix O for more detailed information.

Valley Transit System
(Appleton)

VEHICLE SUMMARY

	<u># Vehicles</u>	<u>Make</u>	<u>Year</u>	<u>Passenger Capacity</u>	<u>Year Purchased</u>	<u>Stated Amount Valuation</u>
Buses:	*3	GMC	1960	45	1978	\$ 7,000
	*3	GMC	1961	45	1978	8,000
	*5	GMC	1962	45	1978	9,500
	1	GMC	1963	45	1978	11,000
	*3	GMC	1961	45	1978/80	8,000
	*4	GMC	1965	45	1980/81	20,000
	<u>14</u>	GMC	1980	44	1980/81	<u>105,000</u>
Total	33					\$1,677,500
Other Vehicles:	1	Dodge	1977	Monaco	1981	\$ 2,400
	<u>1</u>	GMC	1981	Pickup Truck	1981	<u>10,000</u>
Total	2					\$12,400
Grand Total	# Vehicles Total Value			35		\$1,707,000

* Vehicles listed below are not operated during the summer months (Approx. 6/6 through 8/23).

	<u># Vehicles</u>	<u>Make</u>	<u>Year</u>	<u>Passenger Capacity</u>	<u>Year Purchased</u>	<u>Stated Amount Valuation</u>
	3	GMC	1960	45	1978	\$ 7,000
	3	GMC	1961	45	1978	8,000
	5	GMC	1962	45	1978	9,500
	4	GMC	1965	45	1978	20,000
	<u>1</u>	GMC	1961	45	1980	<u>8,000</u>
Total	16					\$180,500

Valley Transit also has two vehicles stored at the Municipal Services Bldg. These are not operated.

	<u># Vehicles</u>	<u>Make</u>	<u>Year</u>	<u>Passenger Capacity</u>	<u>Year Purchased</u>	<u>Stated Amount Valuation</u>
	1	GMC	1954	37	1980	\$2,000
	<u>1</u>	GMC	1957	56	1980	<u>5,000</u>
	2					\$7,000

Beloit Transit System

VEHICLE SUMMARY

	<u># Vehicles</u>	<u>Make</u>	<u>Year</u>	<u>Passenger Capacity</u>	<u>Year Purchased</u>	<u>Unit Purchase Price</u>
Buses:	2	GMC	1955	45	1981	\$ 60,000
	1	GMC	1974	24		13,250
	7	GMC	1976	43		63,381
	1	GMC	1957	45	1981	60,000
	<hr/>					<hr/>
Total	11					\$641,917
Other Vehicles:	1	Chevrolet	1976	Pickup		\$5,146
	<hr/>					<hr/>
Total	1					\$5,146
Grand Total	# Vehicles				12	
	Total Value			\$647,063		

Eau Claire Transit System

VEHICLE SUMMARY

	<u># Vehicles</u>	<u>Make</u>	<u>Year</u>	<u>Passenger Capacity</u>	<u>Year Purchased</u>	<u>Unit Purchase Price</u>
Buses:	1	GMC	1960	45		\$ 25,000
	4	GMC	1963	45		28,000
	11	GMC	1975	53		56,000
	3	Mercedes Benz	1975	19		26,000
	<hr/>					
Total	19					\$831,000
Other Vehicles:	1	Ford	1972	3/4-Ton Pickup		\$4,200
	1	Ford	1975	3/4-Ton Pickup		5,200
	<hr/>					
Total	2					\$9,400
Grand Total	# Vehicles			21		
	Total Value			\$840,400		

Fond du Lac Transit System

VEHICLE SUMMARY

	<u># Vehicles</u>	<u>Make</u>	<u>Year</u>	<u>Passenger Capacity</u>	<u>Year Purchased</u>	<u>Unit Purchase Price</u>
Buses:	12	GMC	1978	37	1978	\$ 89,234
	<hr/>					<hr/>
Total	12					\$1,070,808
Other Vehicles:	1	Chevrolet	1978	Service Truck	1977	\$ 7,100
	<hr/>					<hr/>
Total	1					\$ 7,100
Grand Total	# Vehicles			13		
	Total Value			\$1,077,908		

Green Bay Transit System

VEHICLE SUMMARY

	<u># Vehicles</u>	<u>Make</u>	<u>Year</u>	<u>Passenger Capacity</u>	<u>Year Purchased</u>	<u>Unit Purchase Price</u>
Buses:	4	GMC	1980	36		\$ 114,899
	3	Dodge	1975	19		18,200
	3	GMC	1971	45		31,818
	3	GMC	1969	45		29,119
	6	GMC	1967	45		27,045
	7	GMC	1975	45		44,960
	<hr/>					
Total	26					\$1,173,997
Other Vehicles:	1	Chevrolet	1979	Pickup-Fleetside		\$ 6,609
	1	Ford	1965	4-Wheel Drive Truck		11,807
	1	Chevrolet	1980	Private Passenger Auto		7,075
	<hr/>					
Total	3					\$ 25,491
Grand Total	# Vehicles				29	
	Total Value				\$1,199,488	

Janesville Transit System

VEHICLE SUMMARY

	<u># Vehicles</u>	<u>Make</u>	<u>Year</u>	<u>Passenger Capacity</u>	<u>Year Purchased</u>	<u>Unit Purchase Price</u>
Buses:	10	GMC	1979	38	1979	\$ 105,242
	9	GMC	1979	39	1979	93,880
	2	GMC	1963	53	1980	12,000
	1	GMC	1965	53	1981	45,000
	<hr/>					
Total	22					\$1,966,340
Other Vehicles:	1	Chevrolet	1978	4-Door Nova	1978	\$ 4,200
	1	Chevrolet	1980	4-Door Malibu	1980	5,600
	1	GMC	1978	3/4-Ton 4x4 Pickup	1978	6,400
	<hr/>					
Total	3					\$ 16,200
Grand Total	# Vehicles			25		
	Total Value			\$1,982,540		

Kenosha Transit System

VEHICLE SUMMARY

	<u># Vehicles</u>	<u>Make</u>	<u>Year</u>	<u>Passenger Capacity</u>	<u>Year Purchased</u>	<u>Unit Purchase Price</u>
Buses:	24	GMC	1975	45	1975	\$ 49,627
	1	Twin Coach	1971	25	1971	18,732
	3	Twin Coach	1971	31	1971	18,732
	5	GMC	1981	45	1981	147,117
	<hr/>					
Total	33					\$2,001,561
Other Vehicles:	1	AMC	1974	2-Door Gremlin	1974	\$ 2,700
	1	IHC	1974	3/4-Ton Pickup	1975	4,775
	<hr/>					
Total	2					\$ 7,475
Grand Total	# Vehicles			35		
	Total Value			\$2,009,036		

La Crosse Transit System

VEHICLE SUMMARY

	<u># Vehicles</u>	<u>Make</u>	<u>Year</u>	<u>Passenger Capacity</u>	<u>Year Purchased</u>	<u>Unit Purchase Price</u>
Buses:	4	GMC	1981	43	1981	\$ 156,000
	7	GMC	1981	36	1981	153,000
	5	GMC	1960	43	1975	15,000
	2	GMC	1960	43	1980	25,000
	11	GMC	1975	43	1975	75,000
Total	<u>29</u>					<u>\$2,645,000</u>
Other Vehicles:	1	GMC	1977	3/4-Ton Pickup	1977	No Phy.
	2	Plymouth	1975	4-Door Sedan	1975	Dam Cov.
Total	<u>3</u>					
Grand Total	# Vehicles				32	
	Total Value				\$2,645,000	

Manitowoc Transit System

VEHICLE SUMMARY

	<u># Vehicles</u>	<u>Make</u>	<u>Year</u>	<u>Passenger Capacity</u>	<u>Year Purchased</u>	<u>Unit Purchase Price</u>
Buses:	4	Grumman Flexible	1977	35	1978	\$ 79,000
	3	GMC	1980	37	1980	130,000
	<hr/>					<hr/>
Total	7					\$706,000
Other Vehicles:	1	Mercury	1975	Comet	1978	\$ 2,650
	<hr/>					<hr/>
Total	1					\$ 2,650
Grand Total	# Vehicles			8		
	Total Value			\$708,650		

Merrill Transit System

VEHICLE SUMMARY

	<u># Vehicles</u>	<u>Make</u>	<u>Year</u>	<u>Passenger Capacity</u>	<u>Year Purchased</u>	<u>Unit Purchase Price</u>
Buses:	2	City Cruiser T-30	1981	30	1981	\$ 85,497
	2	City Cruiser T-30	1981	32	1981	97,900
	<hr/>					<hr/>
Total	4					\$366,794

Grand Total # Vehicles 4
 Total Value \$366,794

Oshkosh Transit System

VEHICLE SUMMARY

	<u># Vehicles</u>	<u>Make</u>	<u>Year</u>	<u>Passenger Capacity</u>	<u>Year Purchased</u>	<u>Unit Purchase Price</u>
Buses:	1	GMC	1947	45	1962	\$ 4,500
	3	GMC	1949	45	1967	4,200
	1	GMC	1951	45	1968	2,100
	4	GMC	1953	36	1967	4,000
	1	GMC	1954	37	1968	4,200
	1	GMC	1956	45	1976	1,510
	2	GMC	1948	45	1973	3,750
	14	GMC	1980	37-45	1980	115,000
Total	<u>27</u>					<u>1,658,410</u>

Grand	# Vehicles	27
Total	Total Value	\$1,658,410

Racine Transit System

VEHICLE SUMMARY

	<u># Vehicles</u>	<u>Make</u>	<u>Year</u>	<u>Passenger Capacity</u>	<u>Year Purchased</u>	<u>Unit Purchase Price</u>
Buses:	25	GMC	1976	41	1976	\$ 58,500
	2	Ford Carpenter/ Cadet	1974	19	1975	11,400
	<hr/>					
Total	27					\$1,485,300
Other Vehicles:	1	Chevrolet	1977	Nova	1977	\$ 4,200
	1	GMC	1977	3/4-Ton Pickup	1977	6,970
	1	Ford	1972	Ranchero Truck	1972	4,000
	1	IHC	1960	Tow Truck	1968	1,000
	<hr/>					
Total	4					\$ 16,170
Grand Total	# Vehicles				31	
	Total Value					\$1,501,470

Rice Lake Transit System

VEHICLE SUMMARY

	<u># Vehicles</u>	<u>Make</u>	<u>Year</u>	<u>Passenger Capacity</u>	<u>Year Purchased</u>	<u>Unit Purchase Price</u>
Buses:	3	Mercedes Benz	1975		1977	\$26,192
	1	Dodge	1965		1977	1,200
	1	IHC	1966		1977	1,500
	<hr/>					<hr/>
Total	5					\$81,276
 Grand Total	 # Vehicles			5		
	Total Value			\$81,276		

Sheboygan Transit System

VEHICLE SUMMARY

	<u># Vehicles</u>	<u>Make</u>	<u>Year</u>	<u>Passenger Capacity</u>	<u>Year Purchased</u>	<u>Unit Purchase Price</u>
Buses:	20	Flexible	1975	33	1975	\$ 54,990
	3	GMC	1975	45	1975	56,751
	1	Dodge	1976	15	1976	6,200
	1	Dodge	1972	15	1976	2,475
	2	IHC	1978	72	1978	19,465
	1	IHC	1972	72	1974	7,700
	2	Twin	1973	31	1980	7,000
	<hr/>					
Total	30					1,339,358
Other Vehicles:	<u>1</u>	Ford	1975	3/4 Ton Pick-up	<u>No Phy. Dam. Cov.</u>	
Total	1					
Grand Total	# Vehicles				31	
	Total Value					\$1,339,398

Stevens Point Transit System

VEHICLE SUMMARY

	<u># Vehicles</u>	<u>Make</u>	<u>Year</u>	<u>Passenger Capacity</u>	<u>Year Purchased</u>	<u>Unit Purchase Price</u>
Buses:	3	Thomas	1979	20	Leased	Not Available
	2	Carpenter Cadet	1973	20	Leased	Not Available
Total	<u>5</u>					
Other Vehicles:	1	Dodge	1977	Sportsman Van	Donated	Not Available
Total	<u>1</u>					
Grand Total	# Vehicles					
	Total Value				6	Not Available

Watertown Transit System

VEHICLE SUMMARY

	<u># Vehicles</u>	<u>Make</u>	<u>Year</u>	<u>Passenger Capacity</u>	<u>Year Purchased</u>	<u>Stated Amount Valuation</u>
Buses:	3	GMC	1981	22	1981	\$ 19,000
	1	International	1971	40	1971	8,500
	<hr/>					
Total	4					\$65,500
Grand Total	# Vehicles			4		
	Total Value			\$65,500		

Wausau Transit System

VEHICLE SUMMARY

	<u># Vehicles</u>	<u>Make</u>	<u>Year</u>	<u>Passenger Capacity</u>	<u>Year Purchased</u>	<u>Unit Purchase Price</u>
Buses:	3	GMC	1956	45		\$ 7,500
	5	GMC	1959			7,500
	4	GMC	1968	45		25,000
	3	GMC	1969			25,000
	12	GMC	1977	42		60,555
	<hr/>					
Total	27					\$971,660
Other Vehicles:	1	Buick	1979	Century		\$ 4,895
	1	GMC	1977	3/4-Ton Pickup		5,300
	<hr/>					
Total	2					\$10,195
Grand Total	# Vehicles			29		
	Total Value			\$971,855		

WAUKESHA TRANSIT SYSTEM
VEHICLE SUMMARY

Buses:

	<u># Vehicles</u>	<u>Make</u>	<u>Year</u>	<u>Passenger Capacity</u>	<u>Year Purchased</u>	<u>Stated Amount Valuation</u>
	3	GMC	1960	45	Leased	\$ 7,500
	<u>8</u>	GMC	1967	45	Leased	<u>15,000</u>
Total	11					\$142,500

Other Vehicles:

	<u>1</u>	Plymouth	1982	Stationwagon	1981	<u>\$7,000</u>
Total	1					\$7,000

Grand Total:

# Vehicles	12
Total Value	\$149,500

TRANSIT SYSTEM CONTACTS

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Mr. Charles Kerr
Watertown Transit System
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Mr. Robert C. Johnson
Transit Coordinator
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Mr. Gordon F. Genrich
Manager
Wausau Area Transit System, Inc.
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Wausau, Wisconsin 54401
(715) 845-6758

APPENDIX E

AGENT SERVICES AGREEMENT

Marsh & McLennan

Marsh & McLennan, Incorporated
777 East Wisconsin Avenue
Milwaukee, Wisconsin 53202
Telephone 414 276-4600

RECEIVED

DEC 14 1981

W.M.G.

December 10, 1981

Wisconsin Municipal Transit
Insurance Commission
C/o Nancy Ross - Chairperson
Valley Transit
1024 West Wisconsin Avenue
Appleton, WI 54911

Dear Commission Members:

The following letter of understanding involves the duties and obligations of Marsh & McLennan to the Wisconsin Municipal Transit Insurance Commission.

The overall objective is to maintain a stable insurance program that will be competitive in price, and provide uniform claims reporting and fleet hazard engineering.

Below is an outline of the services we intend to provide during calendar 1982.

- o Coordinate and monitor the activities of the insurer and claims servicing agency, and provide appropriate assistance when and where needed.
- o Monitor the engineering service to be provided by UBOA and provide assistance in deficient areas or if a problem arises that requires an immediate response. Supplemental engineering service will be provided by M&M Protection Consultants - a technical service of Marsh & McLennan.
- o Initiate introductory meetings with each participant to explain the program and answer any questions or concerns. Follow-up visits will be made approximately eight to nine months after program inception date.
- o Assign a minimum of five individuals to service this account. Service will be provided from our offices in Appleton and Milwaukee.

- o The Commission has the right to review and approve the replacement of Joseph Kaylor as the Account Executive.
- o Offer a uniform physical damage program for the consideration of the members.
- o Offer excess liability and explore the possibility of a uniform excess liability program with minimum excess limits of \$5,000,000.
- o Present renewal quotes no later than 10/1/82.
- o Broker remuneration is to be paid by the insurer and we will disclose all commission received on this account.
- o Report to the Commission on a quarterly basis to review activities of Marsh & McLennan and claim experience of the group. We will be available to meet with the Commission on an "as requested" basis.
- o Keep the group informed as to changes in the insurance marketplace as respects this program.
- o We will endeavor to review the Comprehensive Liability arrangements of each system and discuss the feasibility of expanding the program to include Comprehensive General Liability.

This letter is intended to fairly reflect the mutual agreements established between the Wisconsin Municipal Transit Insurance Commission and Marsh & McLennan of Wisconsin Inc.

Sincerely,


Joseph B. Kaylor, ARM

JBK/jlw 4147A

cc: Michael Kaddatz, CPCU
Robert Bodoh
David M. Santi
Jim Beckwith
Mike Glasheen

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