

**VILLAGE OF WINDSOR
VILLAGE BOARD RESOLUTION 2019-08**

RESOLUTION PROVIDING SEWER BACKUP INSURANCE

WHEREAS, the Wisconsin State Statutes state that the Village is responsible to reasonably inspect and maintain sewer lines; and

WHEREAS, the Village's General Liability policy covers us for our "legal liability" for any loss or damage from back-ups from our main sewer lines into resident homes or businesses when we physically cause the backup or if we never inspect or perform any maintenance on our lines; and

WHEREAS, there are instances where something else will cause back-ups originating from our main sewer line where we have been doing inspections and weren't performing any physical action on the line; and

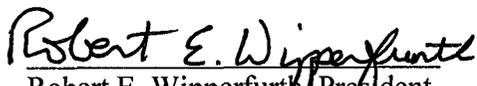
WHEREAS, Wisconsin State Statute states that neither the Village nor our insurance carrier are obligated for damage these blockages cause; and

WHEREAS, the League of Wisconsin Mutual Insurance will provide the Village with a No Fault Sewer extended coverage to our policies at an approximate annual cost of \$2,700.00 (based on the number of sewer customers) that will cover the property owners "out of pocket" expenses not covered by the primary insurance up to \$100,000 in a single claim (\$300,000 maximum for all claims in a policy year.)

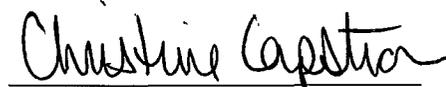
NOW THEREFORE, BE IT RESOLVED, by the Village Board of the Village of Windsor that it hereby approves the purchase of the additional No Fault Sewer extended coverage provided by the League of Wisconsin Mutual Insurance.

The above and foregoing Resolution was duly adopted at a meeting of the Village Board of the Village of Windsor on June 6, 2019, by a vote of 5 in favor and 0 opposed.

VILLAGE OF WINDSOR


Robert E. Wipperfurth, President

Attested by:


Christine Capstran, Clerk



To: Windsor Village Board

CC: Tina Butteris, Village Administrator
Christine Capstran, Clerk

From: Davis Clark, Director of Public Works

Date: May 31, 2019

Re: No Fault Sewer Extended Coverage

The Village of Windsor insurance carrier, League of Wisconsin Mutual Insurance (Baer Insurance Services Plan Representative), has provided the Village with information regarding extended coverage. The Village can choose to add No Fault Sewer extended coverage to our policies at an approximate annual cost of \$2,700 (cost based on number of customers served).

Wis. State Statutes state that we are responsible to reasonably inspect and maintain sewer lines. The Village's General Liability policy covers us for our "legal liability". Any loss or damage from back-ups from our main lines, into resident homes or businesses, are covered by General Liability policies when we physically cause a backup (ie when trying to clear a blockage or back flushing) or if we never inspect or perform any maintenance on our lines.

So what about those other instances where a disposable diaper, grease plug, or tree roots, etc., cause back-ups originating from our main line where we have been doing inspections and weren't performing any physical action on the line? By Wis. State Statute neither us nor our insurance carrier are obligated for damage these blockages cause which often times leaves the affected property owner less than happy.

The League developed a "No Fault Sewer" coverage endorsement to address such losses. How does the coverage work? The affected property owner is required to go to his or her insurance carrier as the primary source of coverage but the League "No Fault Sewer" coverage will cover the property owners "out of pocket" expenses not covered by the primary insurance up to \$100,000 in a single claim (\$300,000 maximum for all claims in a policy year.)

In effect we would be buying coverage for our sewer utility customers and in the process are relieved from having to explain why our main line back up into the property owners premises and the associated damage and cleanup is not our responsibility.

Note that this does not cover costs caused by backups in the "laterals" leading from the house, or business, to the Village sewer mains. Laterals are the property owner's responsibility.

Not every municipality purchases this protection but around 65% of League participants do. Since the coverage cost can be budgeted to the sewer utility, it can ultimately be a pass through in the water utility rates and coverage this way is far cheaper than property owners can buy on their own.