**ITEM MOT 00-04489**

# VILLAGE OF DOWNERS GROVE
## REPORT FOR THE VILLAGE COUNCIL MEETING
## APRIL 19, 2011 AGENDA

| SUBJECT: | TYPE: | SUBMITTED BY: |
|---|---|---|
| Renewal of Re-insurance of Property, Casualty and Excess Liability Coverage | Resolution<br>Ordinance<br>✓ Motion<br>Discussion Only | Wesley Morgan<br>Human Resources Director |

### SYNOPSIS
A motion is requested for the purchase of re-insurance coverage for property, casualty and excess liability for the Village.

### STRATEGIC PLAN ALIGNMENT
The goals for 2011-2018 include *Steward of Fiscal and Environmental Sustainability.*

### FISCAL IMPACT
The FY11 budget provides $376,000 for this annual cost within the Risk Management Fund. The total premium fee is $321,757.

### UPDATE & RECOMMENDATION
This item was discussed at the April 12, 2011 Village Council meeting. Staff recommends approval on the April 19, 2011 Consent Agenda.

### BACKGROUND
The Village of Downers Grove is self-insured for General Liability, Auto Liability and Workers Compensation. The Village maintains a Self-Insured Retention (SIR) of $1,000,000 for General/Auto Liability and a $550,000 SIR for Workers Compensation. The Village purchases excess coverage for General/Auto Liability and Workers Compensation. The Village also purchases a stand alone Property Insurance policy for Village-owned property. Currently these insurance policies (shown below) have been secured through insurance broker Alliant Insurance Services.

The following table summarizes the recommendations for insurance renewals.

| Coverage Type | Current Year Carrier | Current Premium | Low Compliant Bidder 2010-11 | Premium 2011-2012 | % Increase |
|---|---|---|---|---|---|
| Excess General Liability/ Auto Liability ($15M Excess Insurance, $1M self-insured retention) | Everest National Insurance and Star Indemnity | $119,340 | Star Indemnity Insurance | $115,668 | (3%) |

| | | | | | |
|---|---|---|---|---|---|
| General / Auto Liability Umbrella ($20M) | Traveler's Liability Umbrella Insurance Policy | $42,850 | Traveler's Liability Umbrella Insurance Policy | $42,850 | 0% |
| Excess Workers Compensation Stop Loss $500,000 | Safety National | $93,888 | Safety National | $100,786 | 7.3% |
| Property Insurance | Chubb Insurance | $58,540 | | $62,453 | 6.7% |
| **TOTAL PREMIUM** | | $314,618 | **Increase $7,139** | $321,757 | 2.3% |

The recommended renewal for General/Auto, Workers Compensation, Property and Umbrella Insurance coverage continues to enhance the Village's self-insurance program. The first layer of General/Auto ($15 million) provides the Village's insurance limits for law enforcement, employment practices, errors and omissions, employee benefit practices and public officials. Purchasing the $20 million umbrella provides the Village with a total of $35 million of excess General/Auto Liability insurance coverage. The renewal cost for 2011/12 reflects an increase of $7,139 (2.3%) from the previous year. Variation in pricing is generally based on adjustments in the value of vehicles and property, as well as the Village's loss history.

# V I L L A G E   O F   D O W N E R S   G R O V E

## C O U N C I L   A C T I O N   S U M M A R Y

**INITIATED:** Human Resources (Name) **DATE:** April 19, 2011

**RECOMMENDATION FROM:** ______________________________ **FILE REF:**_________
(Board or Department)

**NATURE OF ACTION:**

__ Ordinance

__ Resolution

X Motion

__ Other

**STEPS NEEDED TO IMPLEMENT ACTION:**

Motion to authorize the purchase of re-insurance for property, casualty and excess liability coverage.

**SUMMARY OF ITEM:**

Adoption of this motion will accept insurance renewal quotes to replace the expiring property, general liability, excess liability and workers compensation coverages for the Village.

**RECORD OF ACTION TAKEN:**

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