

**VILLAGE OF DOWNERS GROVE
REPORT FOR THE VILLAGE COUNCIL MEETING
AUGUST 21, 2012 AGENDA**

SUBJECT:	TYPE:	SUBMITTED BY:
Payment of additional premium for Excess Workers Compensation for Policy Year 5/1/2010 to 4/30/2012	Resolution Ordinance ✓ Motion Discussion Only	Chanay Mackey Risk Manager

SYNOPSIS

A motion is requested to pay additional premium to Safety National Insurance in the amounts of \$38,093 for the policy period of 5/1/10 through 4/30/11 and \$31, 969 for the policy period from 5/1/2011 through 4/30/2012.

STRATEGIC PLAN ALIGNMENT

The goals for 2011-2018 include *Steward of Financial and Environmental Sustainability*.

FISCAL IMPACT

This expenditure may require a budget amendment at the end of the fiscal year depending on risk exposure during the remainder of FY12.

RECOMMENDATION

Approval on the August 21, 2012 consent agenda.

BACKGROUND

The Village purchases Excess Workers Compensation Insurance through Safety National Insurance. The policy premium is paid in advance based on an estimate of the total wages to be paid for each policy year. Safety National conducted an audit of total compensation and determined that an additional premium payment is required. As a result, Safety National is invoicing the Village for an additional total premium of \$70,062 for policy years 5/1/2010 through 4/30/2012.

ATTACHMENTS

Invoices

Doc #

Vendor: _____ Address: _____
Account: 562.15.153.5420.0000
Project: _____ Grant: _____
Entered By: CM Date: _____
RISK
Approved By: _____

----- INVOICE -----

Village of Downers Grove
801 Burlington Avenue
Downers Grove, IL 60515

Invoice Date 04/13/12
Invoice No. 88362
Bill-To Code VILLADOW
Client Code VILLADOW
Inv Order No. 1*76163

Named Insured: Village of Downers Grove

Amount Remitted: \$

Please return this portion with your payment.

Make checks payable to: Alliant Insurance Services

Effective Date	Policy Period	Coverage Description	Transaction Amount
05/01/11	05/01/10 to 05/01/11	Safety National Casualty Corporation Policy No. AGC2Y51IL *Audit - Excess Workers Comp Additional Premium - 10/11 Work Comp Audit Payment due upon receipt of invoice. Please Remit Payment to: BY MAIL: Alliant Insurance Services Houston, LLC 5847 San Felipe, Ste 2750 Houston, TX 77057 BY WIRE/ACH: Bank of America, San Diego, CA RT/ABA #: 0260-0959-3 (Wires) RT/ABA#: 121000358 (ACH) SWIFT Address: BOFAUS3N FBO: Alliant Insurance Services Houston, LLC Trust Accounts Acct #: 1459705008 Invoice Number: 88362	38,093.00
		Amount Due:	38,093.00

Premiums Due and Payable on Effective Date



1832 Schuetz Road
 St. Louis, MO 63146-3540
 Telephone (314) 995-5300
 Fax (314) 995-3843

Voluntary Premium Audit Results

VILLAGE OF DOWNERS GROVE, ILLINOIS

Policy#: AGC-2Y51-IL
 Liability Period: 05/01/2009-2011
 Audit Period: 05/01/2010-2011

State(s)	Code	Payroll	Rate	Premium
Illinois	0106	\$0	24.69	\$0
	4299	\$76,841	4.87	\$3,742
	5506	\$1,212,899	16.44	\$199,401
	5606	\$217,102	4.44	\$9,639
	7382	\$202,373	5.41	\$10,948
	7520	\$761,537	7.42	\$56,506
	7610	\$202,321	0.94	\$1,902
	7710	\$7,652,106	16.30	\$1,247,293
	7720	\$7,628,938	2.86	\$218,188
	8380	\$431,540	5.34	\$23,044
	8601	\$0	1.20	\$0
	8720	\$51,229	2.92	\$1,496
	8810	\$4,867,060	0.34	\$16,548
	8820	\$288,051	0.28	\$807
	9015	\$419,869	4.65	\$19,524
	9102	\$433,906	4.02	\$17,443
	9410	\$2,065,333	5.54	\$114,419
		<u>\$26,511,105</u>		<u>\$1,940,900</u>

Total Manual Premium:	\$1,940,900
Experience Modification:	1.00
Total Standard Premium:	\$1,940,900
Loss Fund Percentage:	137.50%
Minimum Term Loss Fund:	\$1,898,474
Audited Attachment Point:	\$2,668,738
Estimated Attachment Point:	\$1,898,474
Premium Rate:	6.8%
Earned Premium:	\$131,981
Deposit Premium:	\$93,888
Additional/(Return) Premium Due:	<u>\$38,093</u>

Doc#

Vendor: _____ Address: _____
Account: 562.15.153.5720.0000
Project: _____ Grant: _____
Entered By: CM Date: _____
Approved By: _____



-----INVOICE-----

Village of Downers Grove
801 Burlington Avenue
Downers Grove, IL 60515

Invoice Date 08/07/12
Invoice No. 93452
Bill-To Code VILLADOW
Client Code VILLADOW
Inv Order No. 1*80399

Named Insured: Village of Downers Grove

Amount Remitted: \$

Please return this portion with your payment.

Make checks payable to: Alliant Insurance Services

Effective Date	Policy Period	Coverage Description	Transaction Amount
05/01/11	05/01/11 to 05/01/12	Safety National Casualty Corporation Policy No. AGC4043960 *Audit - Excess Workers Comp 2011/2012 Final Audit for Excess Workers Comp Policy Please Remit Payment to: BY MAIL: Alliant Insurance Services Houston, LLC 5847 San Felipe, Ste 2750 Houston, TX 77057 BY WIRE/ACH: Bank of America, San Diego, CA RT/ABA #: 0260-0959-3 (Wires) RT/ABA#: 121000358 (ACH) SWIFT Address: BOFAUS3N FBO: Alliant Insurance Services Houston, LLC Trust Accounts Acct #: 1459705008	31,969.00
		Invoice Number: 93452	Amount Due: 31,969.00

Premiums Due and Payable on Effective Date

MKM Page: 1

ORIGINAL INVOICE

Alliant embraces a policy of transparency with respect to its compensation from insurance transactions. Details on our compensation policy, including the types of income that Alliant may earn on a placement, are available on our website at www.alliantinsurance.com. For a copy of our policy or for any inquiries regarding compensation issues pertaining to your account you may also contact us at Alliant Insurance Services, Inc. Attention: General Counsel, 701 S. 6th Floor, San Diego, CA 92101. Alliant Insurance Services, Inc. • 200 South Wacker Drive • Suite 5050 • Chicago, IL 60606

PHONE (312) 546-5600 • FAX (312) 546-5620 • www.alliantinsurance.com



A member of the Tokio Marine Group

1832 Schuetz Road
 St. Louis, MO 63146-3540
 888.995.5300 • 314.995.5300

Voluntary Premium Audit Results

VILLAGE OF DOWNERS GROVE, ILLINOIS

Policy#: AGC4043960
 Liability Period: 05/01/2011-2012
 Audit Period: 05/01/2011-2012

Illinois	0106	\$0	25.75	\$0
	4299	\$73,959	4.88	\$3,609
	5506	\$1,281,487	16.64	\$213,239
	5606	\$234,474	3.85	\$9,027
	7382	\$212,948	5.79	\$12,330
	7520	\$713,991	7.88	\$56,263
	7610	\$214,594	1.09	\$2,339
	7710	\$7,378,652	21.96	\$1,620,352
	7720	\$7,358,809	3.34	\$245,784
	8380	\$413,753	5.98	\$24,742
	8601	\$0	1.19	\$0
	8720	\$54,962	3.43	\$1,885
	8810	\$4,832,334	0.30	\$14,497
	8820	\$286,045	0.27	\$772
	9015	\$438,313	5.08	\$22,179
	9102	\$427,853	4.13	\$17,670
	9410	\$1,947,463	6.25	\$121,716
		<u>\$25,869,636</u>		<u>\$2,366,406</u>

Total Manual Premium: \$2,366,406
 Experience Modification: 1.00
 Total Standard Premium: \$2,366,406
 Loss Fund Percentage: 137.50%
 Minimum Term Loss Fund: \$2,470,233
 Audited Attachment Point: \$3,253,808
 Estimated Attachment Point: \$2,470,233
 Premium Rate: 5.61%
 Earned Premium: \$132,755
 Minimum Premium: \$100,786
 Deposit Premium: \$100,786
 Additional/(Return) Premium Due: \$31,969