

ITEM RES 2015-6075

**VILLAGE OF DOWNERS GROVE**  
**Report for the Village Council Meeting**  
**2/17/2015**

<b>SUBJECT:</b>	<b>SUBMITTED BY:</b>
Extension of Contract for Broker/Risk Services	Chanay Mackey Risk Manager

**SYNOPSIS**

A resolution has been prepared authorizing a contract extension with The Owens Group of Chicago, Illinois until December 31, 2018 for \$195,000 to serve as the Village's Broker of Record when renewing the Village's re-insurance coverage for property, casualty and excess liability and to provide risk management and loss control services.

**STRATEGIC PLAN ALIGNMENT**

The goals for 2011-2018 include *Exceptional Municipal Services* and *Steward of Fiscal and Environmental Sustainability*.

**FISCAL IMPACT**

The FY15 budget includes funding in the Risk Fund for this contract. Currently, the Village pays a flat fee of \$35,000 for loss control services and a commission for insurance placement services. Since the insurance has already been placed for 2015, the pro-rated fee for loss control services through December 31, 2015 will be \$28,128. As of January 1, 2016, the Village will pay an annual flat fee of \$65,000 for insurance placement and loss control services (\$30,000 for insurance and \$35,000 for loss control). This represents a savings of approximately \$30,000 per year.

**RECOMMENDATION**

Approval on the February 17, 2015 consent agenda.

**BACKGROUND**

In 2012, the Village received proposals to provide Insurance Broker of Record and risk management/loss control services. After interviewing three providers, the Village entered into a three-year contract with The Owens Group. Since then, The Owens Group has provided insurance brokerage services to purchase re-insurance in excess of the Village's self-insured retention (\$1,000,000 for General/Auto Liability and \$600,000 for Workers Compensation) and stand-alone policies for property, crime and cyber insurance. They have also provided a wide array of risk management related functions. The current contract expires March 12, 2015.

The Owens Group and staff have worked closely over the past three years and staff has been pleased with the services they have provided. The Owens Group is committed to continuing to provide monthly services and assistance aimed at reducing the Village's overall loss costs and claims.

Services include but are not limited to:

- Securing competitive quotes and policy enhancements for the Village's Insurance Program

- Reviewing current self-insurance program structure and following up with recommendations
- Providing the Village with Certificates of Insurance
- Conducting a complete risk assessment and loss control inspection
- Partnering with the Village's Legal team to review Village contracts and insurance documents
- Providing a dedicated loss control consultant onsite (monthly)
- Safety program development
- Policy and procedures review, revision and development
- Semi-annual Stewardship Reports
- Monthly newsletters
- Conducting on-site safety training
- Participating in monthly on-site Executive Safety Committee meetings
- Conducting quarterly on-site claims reviews

Staff is recommending approval of an extension to the contract through December 31, 2018.

**ATTACHMENTS**

Resolution

Agreement

**RESOLUTION NO. \_\_\_\_\_****A RESOLUTION AUTHORIZING EXECUTION OF AN EXTENSION TO THE  
AGREEMENT BETWEEN THE VILLAGE OF DOWNERS GROVE  
AND THE OWENS GROUP**

BE IT RESOLVED by the Village Council of the Village of Downers Grove, DuPage County, Illinois, as follows:

1. That the form and substance of a certain Extension (the "Agreement"), between the Village of Downers Grove (the "Village") and The Owens Group (the "Broker"), for insurance program and loss control services, as set forth in the form of the Agreement submitted to this meeting with the recommendation of the Village Manager, is hereby approved.

2. That the Village Manager and Village Clerk are hereby respectively authorized and directed for and on behalf of the Village to execute, attest, seal and deliver the Agreement, substantially in the form approved in the foregoing paragraph of this Resolution, together with such changes as the Manager shall deem necessary.

3. That the proper officials, agents and employees of the Village are hereby authorized and directed to take such further action as they may deem necessary or appropriate to perform all obligations and commitments of the Village in accordance with the provisions of the Agreement.

4. That all resolutions or parts of resolutions in conflict with the provisions of this Resolution are hereby repealed.

5. That this Resolution shall be in full force and effect from and after its passage as provided by law.

\_\_\_\_\_  
Mayor

Passed:

Attest:

\_\_\_\_\_  
Village Clerk

**EXTENSION TO THE AGREEMENT BETWEEN  
THE VILLAGE OF DOWNERS GROVE AND THE OWENS GROUP**

The Village of Downers Grove, Illinois and The Owens Group (the "Broker") entered into a three-year Agreement ("Agreement") for insurance broker, risk management and loss control services on March 13, 2012. Pursuant to the terms stated therein, the parties desire to extend that Agreement under the following terms:

1. In addition to the services listed in the original Agreement, the following Scope of Work shall be provided by the Broker:

The Broker agrees to provide Insurance Program Services which include but are not limited to: marketing and maintenance of insurance coverage; servicing of insurance policies, checking policy wording and accuracy and answering coverage questions; ongoing analysis of the Village's insurance policies; ongoing analysis of insurance market conditions and recommendations; loss control services and assistance in developing training programs aimed at controlling losses; establish insurable values; development of premium estimates and recommendations regarding levels of reserves for budget purposes; meet as needed to discuss and resolve insurance/risk management/claims handling matters in a timely manner; provide annual stewardship report to the Village summarizing insurance/risk management services that have been provided, current program/costs, market conditions and recommendations, strategic planning and implementation; protect the Village's interest in the partnership without any conflict of interest with insurance carrier(s) or Broker's parent companies or subcontractors; assist the Village in confidential negotiations with the carrier(s) on coverage, insurable risks, claim reconciliation and related matters. Risk Management Services involve coordinating compliance matters related to finances, operation manuals and executive training sessions.

<b>Activity</b>	<b>Timeline</b>
Provide Risk Management Resources	Ongoing
Loss Control Training – on site & Web	Monthly (Web based) ; Quarterly On- site
On site safety consultant	Once per month
Assist with Accident Evaluations	Monthly as needed
Claims Management Advice	Ongoing
Safety Compliance Audits	Monthly
JSA Review and Development	As needed – ongoing
OSHA 10 Hour Refresher & New Hire	Annually
Executive Safety Performance Reports	Monthly

- 2. The Village will pay to the Broker a flat fee for Insurance program analysis, placement, administration, risk management and loss control services. The pro-rated loss control fee to be paid to the Broker for the time period of March 14, 2015 through December 31, 2015 is \$28,128. Commencing on December 31, 2015, the Village will pay the Broker an annual fee of \$65,000. That fee includes \$30,000 for Insurance placement and administration and \$35,000 for the performance of risk management and loss mitigation services. No other payment terms or conditions apply.
- 3. All other terms from the 2012 Agreement remain in full force and effect.
- 4. The extension shall continue through December 31, 2018.

**VILLAGE OF DOWNERS GROVE**

**THE OWENS GROUP**

\_\_\_\_\_



Title

Title

*PRESIDENT / CEO*

Date: \_\_\_\_\_

Date: *5 FEBRUARY 2015*