

**VILLAGE OF DOWNERS GROVE**  
**Report for the Village Council Meeting**  
**12/5/2017**

SUBJECT:	SUBMITTED BY:
Extension of Protected Self-Insurance Program for Property, Casualty and Excess Liability Coverage through 12/31/2018	Enza Petrarca Village Attorney

**SYNOPSIS**

A motion is requested for the renewal of the re-insurance for property, casualty, workers compensation and excess liability coverage for the Village, effective 12/31/17 through 12/31/18. The total premium fee is \$533,622.

**STRATEGIC PLAN ALIGNMENT**

The goals for 2017-2019 include *Steward of Financial, Environmental and Neighborhood Sustainability*.

**FISCAL IMPACT**

The FY18 Proposed Budget provides \$561,500 in the Risk Management Fund (Page 4-9, line 18) for this program.

**RECOMMENDATION**

Approval on the December 5, 2017 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 \$600,000/\$650,000 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, pollution, crime, and cyber liability. On December 31, 2017, the predominance of the Village's property and casualty coverage will expire.

For the new term 12/31/17 – 2018, Safety National's proposed program places the Village at an overall premium increase of 4% from the expiring year. The Village experienced an increase in workers compensation losses and associated severity (dollar amounts) in 2014 and 2016 which has driven that line of pricing up. The comparison of 2017 premiums to the proposed 2018 premiums is listed in the table below:

Coverage	Expiring Carrier	Expired Premium 2017	Proposed Carrier	Proposed Premium 2018	% Change
<b>General Liability (includes TRIA)</b>	Safety National	\$ 155,298	Safety National	\$ 156,376	1%
<b>Auto Liability</b>	Safety National	Included	Safety National	Included	N/A
<b>APD</b>	Safety National	Included	Safety National	Included	N/A
<b>Law Enforcement Liability</b>	Safety National	Included	Safety National	Included	N/A
<b>Public Officials and Employment Practices</b>	Safety National	Included	Safety National	Included	N/A
<b>Property</b>	Chubb Group	\$ 63,965	Chubb Group	\$ 64,011	0%
<b>Pollution</b>	ACE	\$ 10,234	ACE	\$ 10,834	6%
<b>Crime (No Cyber 2012-13; included 2014 - present)</b>	Travelers	\$ 15,200	Travelers	\$ 15,499	2%
<b>Umbrella (\$25M XS \$10M) SNC is \$10M XS \$1M</b>	Torus	\$ 48,922	Starstone	\$ 49,035	0%
<b>Excess (\$25M xs \$10MM) quote of share</b>	Markel	\$ 34,020	Markel	\$ 34,094	0%
<b>Workers Compensation</b>	Safety National	\$ 185,441	Safety National	\$ 203,773	10%
<b>Total Casualty</b>		<b>\$ 513,080</b>		<b>\$ 533,622</b>	<b>4%</b>

Safety National is impressed with the work the Village is doing to reduce the Village's risk and liabilities. The Village conducted a Risk Management assessment in 2015 that resulted in a "Best -In - Class" high score of 98 out of 100. The assessment was based on several criteria related to safety programming, management, administration, leadership and execution. The Village is continuing to do the maintenance items suggested in the risk management report. Safety National looks forward to continuing the partnership with the Village to build a sustainable insurance environment.

The Village maintains Corporate Counsel professional liability coverage placed with Illinois National Insurance Company. This coverage was moved to be commensurate with the predominance of the Village's policies in 2016-17. This year follows with an effective date of 12/31/17 – 12/31/18. That coverage is placed separately from the package lines.

## ATTACHMENTS

# VILLAGE OF DOWNERS GROVE COUNCIL ACTION SUMMARY

**INITIATED:** Risk Management **DATE:** December 5, 2017  
(Name)

**RECOMMENDATION FROM:** \_\_\_\_\_ **FILE REF:** \_\_\_\_\_  
(Board or Department)

**NATURE OF ACTION:**

- Ordinance
- Resolution
- Motion
- Other

**STEPS NEEDED TO IMPLEMENT ACTION:**

Motion to authorize the purchase and renewal of general liability, property, excess liability and workers compensation insurance coverages.



**SUMMARY OF ITEM:**

Adoption of this motion will authorize the purchase and renewal of general liability, property, excess liability and workers compensation insurance coverages for the Village through December 31, 2018.

**RECORD OF ACTION TAKEN:**

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