VILLAGE OF DOWNERS GROVE
Report for the Village Council Meeting
12/5/2023

SUBJECT:	SUBMITTED BY:
Extension of Protected Self-Insurance for Property, Casualty and Excess Liability Coverage through 12/31/24	Enza Petrarca Village Attorney

SYNOPSIS
A motion is requested for the renewal of the re-insurance for general, automobile, law enforcement, public officials, employment practices, excess liability, excess workers compensation, property, employed lawyers, cyber & crime and pollution coverage for the Village for 2024.

STRATEGIC PLAN ALIGNMENT
The goals for 2023-2025 include *Steward of Fiscal, Environmental and Neighborhood Sustainability.*

FISCAL IMPACT
The FY24 Budget has sufficient funds in the Risk Management Fund for this program. The total annual premium is $1,028,107.

RECOMMENDATION
Approval on the December 5, 2023, consent agenda.

BACKGROUND
The Village of Downers Grove is self-insured for General Liability, Auto Liability, and Workers Compensation with Self-Insured Retention (SIR) levels of $1,000,000 for Liability and for Workers Compensation. The Village also purchases Excess Liability, Property, Pollution, Law Enforcement, Public Officials, Crime, and Cyber Liability policies.

Each year the Village, through its insurance broker, conducts a comprehensive and competitive process to select insurance providers and establish annual premiums. The number of carriers providing coverage for public entities is diminishing each year due to adverse losses within the industry. Because of increasing litigation, societal inflation factors, and adverse law enforcement claims throughout the United States, many insurers, including the Village's current liability provider (Liberty Mutual), are capping their limits of liability. Liberty Mutual reduced their total limits from $10,000,000 to $6,000,000 and as a result opened the market for competing quotes from other companies. Safety National provided a very competitive quote in comparison to Liberty Mutual. Safety National is offering a package containing liability and workers compensation coverage. This program offers 12% in savings over Liberty's offerings with a two – year rate guarantee that is subject to no material increases in exposures (+/-15% from this year) along with conditions on the losses that no new loss exceeds 50% of the applicable self – insured retention. This would be applicable on both the excess workers compensation and liability package. Additionally, Safety National is offering $25,000 in loss control funds to the Village for safety programming.

The Village is experiencing a 4.8% overall increase in premium for the 2023-24 policy term. The premium increase is attributed to loss activity as well as slight changes in exposures. 4.8% is an exceptional increase, considering the markets are rendering increases from 10% - 40% over expiring costs, in some instances.

The Village's property carrier will incorporate the new civic center into the program once the builder turns that property over to the village. Property values remain the same for the existing village hall since it will be removed upon completion of the new facility.

The Village's underground storage tanks are at a $50,000 deductible this year and staff anticipates that it will increase to $100,000 next year due to their age.

Alliant does not charge a risk management fee; all services are provided in – house at no cost.

The following table summarizes the coverage and associated premiums for the expiring and renewal programs. All policies are effective December 31, 2023, through December 31, 2024.

	Expiring 2022-2023 $1,000,000	Renewal 2023-2024 $1,000,000	% Change
Package Liability & All Lines (TRIA Included)	Liberty Mutual	Safety National	
General Liability	$66,872	$254,458	
Automobile Physical Damage & Liability	$79,305	$39,283	
Law Enforcement Liability	$38,359	Included In GL	
Public Officials Liability	$12,368	Included In GL	
Employment Practices Liability	$37,950	Included In GL	
Employment Practices Liability - Excess Layer	Indian Harbor	N/A	
	$21,686	N/A	
Excess Liability - 1st Layer	Liberty Mutual	Hudson	
$9M XS $1M (2022-2023) $5M XS $1M (2023-2024)			
Euclid $5M XS$5M	$107,619	$143,063	
Excess Liability - 2nd Layer	WH Green	WH Green	
$10M XS $10M			
	$117,668	$120,796	3%
Excess Liability - 3rd Layer	Berkley	Gemini	
$10M XS $20M			
	$94,150	$96,628	3%
Excess Liability - 4th Layer	Markel	Markel	
$5M XS $30M			
	$45,319	$45,319	0%
Excess Workers Compensation	Arch	Safety	
$1M SIR	$187,152	$159,945	**-15%**
Property	Chubb	Chubb	
	$89,650	$93,785	5%
Employed Lawyers	Zurich	Zurich	
	$4,936	$4,646	-6%
Cyber Liability & Crime Combined	Travelers	Travelers	
	$63,179	$55,055	-13%
Pollution Liability	Chubb	Chubb	
	$14,418	$15,129	5%
Risk Management Service Fee	$0	$0	
ESTIMATED PROGRAM TOTAL	**$980,630**	**$1,028,107**	4.8%

VILLAGE OF DOWNERS GROVE

COUNCIL ACTION SUMMARY

INITIATED: Village Attorney (Name) **DATE:** December 5, 2023

RECOMMENDATION FROM: ______________________ (Board or Department) **FILE REF:** ____________

NATURE OF ACTION:

___ Ordinance

___ Resolution

X Motion

___ Other

STEPS NEEDED TO IMPLEMENT ACTION:

Motion for the renewal of the re-insurance for general, automobile, law enforcement, public officials, employment practices, excess liability, excess workers compensation, property, employed lawyers, cyber & crime and pollution coverage for the Village for 2024.

SUMMARY OF ITEM:

Adoption of this motion will authorize the renewal of the re-insurance for general, automobile, law enforcement, public officials, employment practices, excess liability, excess workers compensation, property, employed lawyers, cyber & crime and pollution coverage for the Village for 2024.

RECORD OF ACTION TAKEN:

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