

VILLAGE OF LOMBARD
REQUEST FOR BOARD OF TRUSTEES ACTION
For Inclusion on Board Agenda

Resolution or Ordinance (Blue) _____ *Waiver of First Requested*
X Recommendations of Boards, Commissions & Committees (Green)
Other Business (Pink)

TO: PRESIDENT AND BOARD OF TRUSTEES

FROM: Timothy Sexton, Director of Finance

DATE: December 7, 2022 (COW)(B of T) December 15, 2022

TITLE: Finance and Administration Committee Recommendation on 2023 Insurance Program

BACKGROUND/POLICY IMPLICATIONS:

The Village's 2023 Risk Management Program was presented by staff and the Village's Risk Management Consultant, Mike Nugent, to the Finance and Administration (F&A) Committee at their meeting on Monday, November 29, 2021. Mr. Nugent and staff recommended Option 3 which combines Travelers, along with shifting our workers compensation coverage to the Illinois Public Risk Fund (IPRF), and results in a total 5.9% increase. Our current workers compensation insurer, Safety National, has significantly increased rates in the last several years, forcing the Village to look at alternative options. IPRF is one of the largest public pools in Illinois, and they have taken on a number of clients the size of Lombard in recent years. Staff has talked to three of these larger clients and all of them are very happy with their move to IPRF for workers compensation coverage.

The F&A Committee unanimously voted to recommend approval of the 2023 Insurance Program with Option 3 as presented to the President and Board of Trustees. Options 1 combines: Travelers Insurance for liability for property, mobile equipment, flood, earthquake, general employee benefits, automobile (includes garagekeepers coverage), law enforcement, public officials errors & omissions, and employment practices; Illinois Public Risk Fund (IPRF) for workers' compensation, employers liability; Hartford Insurance for crime; Hudson Insurance for Police and Fire Pension Plans fiduciary liability; and Houston Casualty Company for cyber liability resulting in a total 2022 annual renewal cost **Not To Exceed \$648,934**. Village Board approval of the F&A Committee's recommendation will allow staff to execute the necessary contracts and agreements to assure that coverage is in place for January 1, 2023.

Review (as necessary):

Village Attorney X _____ Date _____
Finance Director X _____ Date _____
Village Manager X *Sheela Mice* _____ Date 12/7/22

NOTE: All materials must be submitted to and approved by the Village Manager's Office by 12:00 noon, Wednesday, prior to the Agenda Distribution.