

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: David A. Hulseberg, Village Manager  
DATE: November 18, 2010 (COW)(B of T) December 2, 2010  
TITLE: Finance Committee Recommendation on 2011 Insurance Program  
SUBMITTED BY: Timothy Sexton, Director of Finance

BACKGROUND/POLICY IMPLICATIONS:

The Village's 2011 Risk Management Program was presented by staff and the Village's Risk Management Consultant, Mike Nugent, to the Finance Committee at their meeting on Tuesday, November 16, 2010. The consultant's information on the subject is attached. As Mr. Sexton's memo to the Committee states, negotiations on the final fees were still taking place when the Finance Committee agenda was sent out. However, the final fees did not change from those indicated in the attached spreadsheet in Column 4 labeled Proposed. These fees are \$1,196 less than last year.

The Finance Committee voted unanimously to recommend the 2011 Insurance Program to the President and Board of Trustees at their regular meeting on December 2, 2010. Village Board approval of the Finance Committee's recommendation will allow staff to execute the necessary contracts and agreements to assure that coverage is in place for January 1, 2011.

Review (as necessary):  
Village Attorney X \_\_\_\_\_ Date \_\_\_\_\_  
Finance Director X \_\_\_\_\_ Date 11/18/10  
Village Manager X Timothy Sexton \_\_\_\_\_ Date 11/22/10

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.



To: Finance Committee

From: Timothy Sexton  
Director of Finance

Date: November 12, 2010

Subject: Village Insurance Renewal

Please find attached the report from our Risk Management Consultant, Mike Nugent, on the 2011 insurance renewal program. The column marked 2011 is what the renewal information was at the time the agenda went out to members, which currently stands at a decrease of \$1,196 compared to 2010. However, Mr. Nugent was still negotiating for lower rates on part of the renewal package. An update will be provided by Mr. Nugent at the meeting.

**VILLAGE OF LOMBARD  
2011 RENEWAL COSTS**

Item	2008		2009		2010		2011	
	Lexington / Chubb	Chubb	Lexington / Chubb	Chubb	Lexington / Chubb	Chubb	Lexington / Chubb	Chubb
1 Excess Property	\$ 55,257	\$	\$ 56,589	\$	\$ 57,863	\$	\$ 57,345	\$
2 Primary Package	\$ 209,294	\$	\$ 175,918	\$	\$ 170,940	\$	\$ 165,760	\$
3 Excess Liability	\$ 39,161	\$	\$ 31,242	\$	\$ 28,491	\$	\$ 29,869	\$
4 Boiler	\$ 2,975	\$	\$ 2,975	\$	\$ 3,139	\$	\$ 3,240	\$
5 Crime	\$ 10,025	\$	\$ 9,914	\$	\$ 10,544	\$	\$ 10,572	\$
6 TPA	\$ 36,300	\$	\$ 36,300	\$	\$ 37,000	\$	\$ 37,000	\$
7 Broker Fee	\$ 37,000	\$	\$ 37,000	\$	\$ 37,000	\$	\$ 37,925	\$
8 Consulting	\$ 16,500	\$	\$ 17,000	\$	\$ 17,500	\$	\$ 17,500	\$
9 Workers Compensation	\$ 37,150	\$	\$ 38,104	\$	\$ 38,687	\$	\$ 40,757	\$
<b>10 Premium/Fees</b>	<b>\$ 443,662</b>	<b>\$</b>	<b>\$ 405,042</b>	<b>\$</b>	<b>\$ 401,164</b>	<b>\$</b>	<b>\$ 399,968</b>	<b>\$</b>
11 Est. Retained Losses	\$ 600,000	\$	\$ 600,000	\$	\$ 600,000	\$	\$ 600,000	\$
12 Total Estimated Cost	<b>\$ 1,043,662</b>	<b>\$</b>	<b>\$ 1,005,042</b>	<b>\$</b>	<b>\$ 1,001,164</b>	<b>\$</b>	<b>\$ 999,968</b>	<b>\$</b>
13 WC SIR - All Other	\$ 425,000	\$	\$ 425,000	\$	\$ 425,000	\$	\$ 425,000	\$
14 WC SIR - Police/Fire	\$ 550,000	\$	\$ 550,000	\$	\$ 550,000	\$	\$ 550,000	\$
15 Property SIR	\$ 50,000	\$	\$ 50,000	\$	\$ 50,000	\$	\$ 50,000	\$
16 Liability SIR	\$ 100,000	\$	\$ 100,000	\$	\$ 100,000	\$	\$ 100,000	\$
17 Auto Physical Damage	\$ 50,000	\$	\$ 50,000	\$	\$ 50,000	\$	\$ 50,000	\$
18 Boiler Deductible	\$ 1,000	\$	\$ 1,000	\$	\$ 1,000	\$	\$ 1,000	\$
19 Total Liability Limits	\$ 11,000,000	\$	\$ 11,000,000	\$	\$ 11,000,000	\$	\$ 11,000,000	\$
20 Crime Retention	\$ 25,000	\$	\$ 25,000	\$	\$ 25,000	\$	\$ 25,000	\$