



NUGENT CONSULTING GROUP
INSURANCE AND RISK MANAGEMENT CONSULTING

November 8, 2013

Mr. Tim Sexton
Village of Lombard
255 East Wilson Street
Lombard, IL 60148

Re: 2014 Self-Insurance Plan Renewal

Dear Tim:

Attached to this letter is the 2014 renewal spreadsheet showing the current self-insurance program costs compared to the budget I provided in July of this year, the proposed cost, and final cost I was able to negotiate.

Overall renewal costs will increase \$17,500 or 5.29%. The Fiduciary coverage is skewing this a bit. As agreed upon, Gallagher has incorporated all of the suggested changes including issuing two policies instead of a shared policy. Without the additional costs for a second fiduciary policy, coverage increases 4% and below the budget figure I provided in July.

The Excess Workers Compensation market continues to be the biggest challenge, with premiums increasing 12.44%. The continues to be a lack of competitive options for this line of coverage, primarily due to the extensive benefits provided to police and fire.

Overall, the renewal is competitive with current market conditions.

Sincerely,

Mike Nugent

Michael D. Nugent

2409 PEACHTREE LANE NORTHBROOK, IL 60062 (847)412-0410 FAX (847)412-0610

Village of Lombard						
			2014 Renewal			
			11/07/13			
<i>Item</i>	2012	2013	Budget 2014	Renewal Quote 2014	Final 2014	
1 Excess Property	\$ 58,992	\$ 60,609	\$ 64,000	\$ 63,609	\$ 63,000	
2 Primary Package	\$ 139,947	\$ 136,994	\$ 141,000	\$ 140,950	\$ 140,000	
3 Excess Liability	\$ -	\$ -	\$ -	\$ -	\$ -	
4 Boiler	\$ 2,000	\$ 2,122	\$ 2,122	\$ 2,185	\$ 2,122	
5 Crime	\$ 10,682	\$ 11,306	\$ 11,306	\$ 11,799	\$ 11,600	
7 Broker Fee	\$ 35,425	\$ 35,425	\$ 35,425	\$ 35,425	\$ 35,425	
8 Consulting	\$ 18,000	\$ 18,000	\$ 18,500	\$ 18,500	\$ 18,500	
9 Ex Workers Compensation	\$ 47,476	\$ 59,619	\$ 68,562	\$ 68,889	\$ 67,038	
11 Police & Fire Pension	\$ 8,461	\$ 8,461	\$ 8,461	\$ 12,452	\$ 12,452	
12 Premium/Fees	\$ 320,983	\$ 332,536	\$ 349,376	\$ 353,809	\$ 350,137	
<i>Terms</i>	Expiring	2013 Renewal	Budget 2014 Renewal	Renewal Quote 2014 Renewal	Final 2014 Renewal	
13 WC SIR - All Other	\$ 425,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000	
14 WC SIR - Police/Fire	\$ 550,000	\$ 600,000	\$ 650,000	\$ 600,000	\$ 600,000	
15 Property SIR	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	
16 Liability SIR	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	
17 Auto Physical Damage	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	
18 Boiler Deductible	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	
19 Total Liability Limits	\$ 11,000,000	\$ 11,000,000	\$ 11,000,000	\$ 11,000,000	\$ 11,000,000	
20 Crime Retention	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	