

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: November 27, 2018 (COW)(B of T) December 6, 2018

TITLE: Finance and Administration Committee Recommendation on 2019 Insurance Program

BACKGROUND/POLICY IMPLICATIONS:

The Village's 2019 Risk Management Program was presented by staff and the Village's Risk Management Consultant, Mike Nugent, to the Finance Committee at their meeting on Monday, November 26, 2018. The consultant's spreadsheet is attached that shows no changes to terms and an increase of \$8,362 (2%) compared to the 2018 premium. The costs for 2019 include a new expense of \$2,682 which accounts for 32% of the total increase to the Village for National Flood Insurance for the pump station at 530 Phillips Court. Excess property increased \$5,262.

The Finance Committee unanimously voted to recommend approval of the 2019 Insurance Program with Safety National as presented to the President and Board of Trustees at their regular meeting on December 6, 2018. 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, 2019.

Review (as necessary):

Village Attorney X \_\_\_\_\_ Date \_\_\_\_\_  
Finance Director X Timothy Sexton \_\_\_\_\_ Date 11/27/18  
Village Manager X \_\_\_\_\_ Date \_\_\_\_\_

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.

**Village of Lombard**

**2019**

11/21/18

	2015	2016	2017	2018	2019
<i><b>Item</b></i>					
1 Excess Property	\$ 65,000	\$ 65,000	\$ 57,478	\$ 54,810	\$ 60,072
2 Primary Package	\$ 140,000	\$ 140,000	\$ 126,855	\$ 126,878	\$ 126,845
3 Excess Liability	\$ -	\$ -	\$ 5,024	\$ 5,025	\$ 5,671
4 Boiler	\$ 2,150	\$ 2,186	\$ 2,187	\$ 2,187	\$ 2,592
5 Crime	\$ 11,665	\$ 11,051	\$ 10,936	\$ 10,584	\$ 10,440
7 Broker Fee	\$ 35,425	\$ 35,779	\$ 35,779	\$ 35,779	\$ 35,780
8 Consulting	\$ 19,000	\$ 19,400	\$ 19,800	\$ 20,200	\$ 20,600
9 Ex Workers Compensation	\$ 71,000	\$ 76,012	\$ 77,714	\$ 80,172	\$ 79,315
11 Cyber Coverage	\$ 8,967	\$ 8,647	\$ 9,161	\$ 9,147	\$ 9,147
12 Police & Fire Pension Fiduciary					
	\$ 11,292	\$ 11,857	\$ 12,220	\$ 12,524	\$ 12,524
13 National Flood Insurance	\$ -	\$ -	\$ -	\$ -	\$ 2,682
<b>14 Premium/Fees</b>	<b>\$ 364,499</b>	<b>\$ 369,932</b>	<b>\$ 357,154</b>	<b>\$ 357,306</b>	<b>\$ 365,668</b>

***Terms***

	2015	2016	2017	2018	2019
<b>13 WC SIR - All Other</b>	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000
<b>14 WC SIR - Police/Fire</b>	\$ 600,000	\$ 600,000	\$ 600,000	\$ 600,000	\$ 600,000
<b>15 Property SIR</b>	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000
<b>16 Liability SIR</b>	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000
<b>17 Auto Physical Damage</b>	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000
<b>18 Boiler Deductible</b>	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000
<b>19 Total Liability Limits</b>	\$ 11,000,000	\$ 11,000,000	\$ 11,000,000	\$ 11,000,000	\$ 11,000,000
<b>20 Crime Retention</b>	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
<b>21 Cyber Deductible</b>	\$ -	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000

# Village of Lombard

## Recommended Protected Self-Insurance Program Structure

Safety National Casualty Corporation/Chubb Program  
 Effective: January 1, 2019 to January 1, 2020

Property \$57,570,484 Building and Personal Property \$25,000,000 Flood \$25,000,000 Quake	Excess Liability StarStone National Insurance Company \$1,000,000 Per Occurrence \$1,000,000 Annual Aggregate Excess Liability Safety National Casualty Corporation \$8,000,000 Per Occurrence \$8,000,000 General Aggregate Safety National \$2,000,000 CSL \$50,000/\$70,000 UIM/UIM Limits \$100,000 SIR Per Occurrence	Safety National \$2,000,000 Occurrence \$4,000,000 Annual Aggregate Safety National \$2,000,000 Per Occurrence \$3,000,000 Annual Aggregate Safety National \$2,000,000 Each Wrongful Act \$3,000,000 Annual Aggregate	Safety National Excess WCFEL \$2,000,000 \$500,000/ \$600,000 SIR	Travelers \$50,000,000 \$5,000 Deductible	Hartford Hiscox \$5,000,000 Employee Dishonesty including Fidelity Performance \$25,000 Deductible	Hudson \$1,000,000 Annual Aggregate Hudson \$1,000,000 Annual Aggregate BCS Ins. Co. \$2,000,000 Limit \$10,000 Retention	Workers Compensation Employers Liability (\$600,000 SIR applies to Police, Firefighters, and EMTs) Boiler & Machinery Crime (See Proposal for all Crime limits) Fiduciary Liability for Police Pension Plan Fiduciary Liability for Firefighters Pension Plan Cyber Liability
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Property Mobile  
 Equipment Auto  
 Physical Damage  
 incl. Over-the-Road  
 Coverage, Flood,  
 Earthquake

### Note:

Safety National Program: The SIR is per occurrence/wrongful act retention. Only one retention/limit applies in the event of a multiple loss.

(1) Employee Benefits Liability is Claims Made with a retro date of 12/31/1996  
 (2) Public Officials and Employment Practices are claims with a retro date of 12/31/1995.