



MEMORANDUM

To: Finance and Administration Committee

From: Timothy Sexton, Director of Finance

Date: November 17, 2015

Subject: Village Insurance Renewal

Please find attached the report from our Risk Management Consultant, Mike Nugent, on the 2015 insurance renewal program. Mr. Nugent will be at the Finance and Administration Committee meeting on November 30, 2015 to discuss the renewal.

Due to the large workers comp losses in 2014 and the increased tax levy that was required for liability insurance, staff worked with IRMA (Intergovernmental Risk Management Agency) to obtain a quote on joining IRMA. When that quote was received, staff did an analysis of IRMA against our current program. The current program was still about \$200,000 less on an annual basis than IRMA. Therefore, we are presenting the current program again for 2016.

The Finance staff requests that the Finance and Administration Committee recommend the Insurance renewal to the Village Board.

Village of Lombard

		2016 Renewal 10/30/15							
	<i>Item</i>	2013	2014	2015	Proposed 2016	Final 2016			
1	Excess Property	\$ 60,609	\$ 63,000	\$ 65,000	\$ 66,352	\$ 65,000			
2	Primary Package	\$ 136,994	\$ 140,000	\$ 140,000	\$ 142,141	\$ 140,000			
3	Excess Liability	\$ -	\$ -	\$ -	\$ -	\$ -			
4	Boiler	\$ 2,122	\$ 2,122	\$ 2,150	\$ 2,186	\$ 2,186			
5	Crime	\$ 11,306	\$ 11,600	\$ 11,665	\$ 11,051	\$ 11,051			
7	Broker Fee	\$ 35,425	\$ 35,425	\$ 35,425	\$ 35,779	\$ 35,779			
8	Consulting	\$ 18,000	\$ 18,500	\$ 19,000	\$ 19,400	\$ 19,400			
9	Ex Workers Compensation	\$ 59,619	\$ 67,038	\$ 71,000	\$ 77,396	\$ 76,012			
11	Cyber Coverage	\$ -	\$ -	\$ 8,967	\$ 8,647	\$ 8,647			
12	Police & Fire Pension Fiduciary	\$ 8,461	\$ 12,452	\$ 11,292	\$ 11,857	\$ 11,857			
	Premium/Fees	\$ 332,536	\$ 350,137	\$ 364,499	\$ 374,809	\$ 369,932			101%
	<i>Terms</i>	2013	2014	Final 2015	Final 2015	Final 2015			
13	WC SIR - All Other	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000			
14	WC SIR - Police/Fire	\$ 600,000	\$ 600,000	\$ 600,000	\$ 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			