

#080649

VILLAGE OF LOMBARD
REQUEST FOR BOARD OF TRUSTEES ACTION

For Inclusion on Board Agenda

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

X

TO: PRESIDENT AND BOARD OF TRUSTEES

FROM: David A. Hulseberg, Village Manager *DH*

DATE: November 25, 2008 (COW)(B of T) December 4, 2008

TITLE: Finance Committee Recommendation on 2009 Insurance Program

SUBMITTED BY: Timothy Sexton, Director of Finance

BACKGROUND/POLICY IMPLICATIONS:

The Village's 2009 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 24, 2008. 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. In the attached report marked Revised, column 5 was the tentative pricing that was presented to the Finance Committee. However, the proposal has actually decreased by \$6,054 from what the Finance Committee reviewed and approved, and the final pricing is in column 6. The difference is in the Excess Liability line and can be seen by comparing the Excess Liability line in columns 5 and 6.

The Finance Committee voted unanimously to recommend the 2009 Insurance Program to the President and Board of Trustees at their regular meeting on December 4, 2008. 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, 2009.

Review (as necessary):

Village Attorney X _____

Finance Director X _____

Village Manager X _____

Date _____
Date 1/25/08
Date 11/25/08

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.

Please find attached the report from our Risk Management Consultant, Mike Nugent, on the 2009 insurance renewal program. The column marked 2009 Tentative is what the renewal information was at the time the agenda went out to members. However, Mr. Nugent was still negotiating with Lexington for lower rates on part of the renewal package. An update will be provided by Mr. Nugent at the meeting.

Subject: Village Insurance Renewal

Date: November 21, 2008

From: Timothy Sexton
Director of Finance

To: Finance Committee



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Village Attorney X	_____	Date	11/25/08
Finance Director X	_____	Date	11/25/08
Village Manager X	_____	Date	11/25/08

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Subject: Village Insurance Renewal

Date: November 21, 2008

From: Timothy Sexton
Director of Finance

To: Finance Committee



REVISED

		VILLAGE OF LOMBARD 2009 RENEWAL COSTS									
		2		3		4		5		6	
		2008 Option 3 Gallagher		2009 Budget		2009 Proposed		2009 Tentative Gallagher		2009 Final Gallagher	
<i>Item</i>		<i>Lexington / Chubb</i>						<i>Lexington / Chubb</i>		<i>Lexington / Chubb</i>	
1	Excess Property	\$ 55,257	\$ 54,000	\$ 58,589	\$ 56,589	\$ 56,589	\$ 56,589	\$ 56,589	\$ 56,589	\$ 56,589	\$ 56,589
2	Primary Package	\$ 209,294	\$ 205,000	\$ 175,918	\$ 175,918	\$ 175,918	\$ 175,918	\$ 175,918	\$ 175,918	\$ 175,918	\$ 175,918
3	Excess Liability	\$ 39,161	\$ 36,500	\$ 37,296	\$ 37,296	\$ 37,296	\$ 37,296	\$ 37,296	\$ 37,296	\$ 37,296	\$ 37,296
4	Boiler	\$ 2,975	\$ 3,000	\$ 2,975	\$ 2,975	\$ 2,975	\$ 2,975	\$ 2,975	\$ 2,975	\$ 2,975	\$ 2,975
5	Crime	\$ 10,025	\$ 10,000	\$ 9,914	\$ 9,914	\$ 9,914	\$ 9,914	\$ 9,914	\$ 9,914	\$ 9,914	\$ 9,914
6	TPA	\$ 36,300	\$ 38,000	\$ 36,300	\$ 36,300	\$ 36,300	\$ 36,300	\$ 36,300	\$ 36,300	\$ 36,300	\$ 36,300
7	Broker Fee	\$ 37,000	\$ 37,000	\$ 37,000	\$ 37,000	\$ 37,000	\$ 37,000	\$ 37,000	\$ 37,000	\$ 37,000	\$ 37,000
8	Consulting	\$ 16,500	\$ 17,000	\$ 17,000	\$ 17,000	\$ 17,000	\$ 17,000	\$ 17,000	\$ 17,000	\$ 17,000	\$ 17,000
9	Workers Compensation	\$ 37,150	\$ 39,000	\$ 38,104	\$ 38,104	\$ 38,104	\$ 38,104	\$ 38,104	\$ 38,104	\$ 38,104	\$ 38,104
10	Premium/Fees	\$ 443,662	\$ 439,500	\$ 413,096	\$ 411,096	\$ 411,096	\$ 411,096	\$ 411,096	\$ 411,096	\$ 405,042	\$ 405,042
11	Est. Retained Losses	\$ 600,000	\$ 600,000	\$ 600,000	\$ 600,000	\$ 600,000	\$ 600,000	\$ 600,000	\$ 600,000	\$ 600,000	\$ 600,000
12	Total Estimated Cost	\$ 1,043,662	\$ 1,039,500	\$ 1,013,096	\$ 1,011,096	\$ 1,013,096	\$ 1,011,096	\$ 1,013,096	\$ 1,011,096	\$ 1,005,042	\$ 1,005,042
13	WC SIR - All Other	\$ 425,000	\$ 425,000	\$ 425,000	\$ 425,000	\$ 425,000	\$ 425,000	\$ 425,000	\$ 425,000	\$ 425,000	\$ 425,000
14	WC SIR - Police/Fire	\$ 550,000	\$ 550,000	\$ 550,000	\$ 550,000	\$ 550,000	\$ 550,000	\$ 550,000	\$ 550,000	\$ 550,000	\$ 550,000
15	Property SIR	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000
16	Liability SIR	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000
17	Auto Physical Damage	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000
18	Boiler Deductible	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000
19	Total Liability Limits	\$ 11,000,000	\$ 11,000,000	\$ 11,000,000	\$ 11,000,000	\$ 11,000,000	\$ 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	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
21	Third Party Aggregate Ded	None	None	None	None	None	None	None	None	None	None

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