



MEMORANDUM

To: Finance and Administration Committee

From: Timothy Sexton, Director of Finance

Date: December 2, 2020

Subject: Village Insurance Renewal

Please find attached the report from our Risk Management Consultant, Mike Nugent, on the 2021 insurance renewal program. There are six options that involve three different primary insurers. Mr. Nugent will be participating remotely at the Finance and Administration Committee meeting on December 7, 2020 to discuss the renewal options.

Attached is a letter and detailed coverage information from Mr. Nugent that will be discussed at the meeting. Mr. Nugent is recommending Option 4 which combines Travelers (liability), Chubb (property) and Safety National (WC) and results in a 32% increase. Our current insurer, Safety National, came in as projected in October in the 80+% range.

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



November 25, 2020

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

Re: 2021 Insurance Renewal

Dear Tim:

Attached is the summary of the renewal options Gallagher was able to provide in an exceedingly difficult insurance market.

There are 6 options that involve three different primary insurers. These are the only remaining primary insurers providing coverage to partially self-insured municipalities in Illinois. Option 4 combines Travelers (liability), Chubb (property) and Safety National (WC) and results in a 32% increase. This is less than I projected in October on fears that only Safety National would quote the primary liability. You can see in Options 1 and 2 that Safety National came in as projected in October at the 80% + range.

The only material coverage difference between the expiring program and Option 4 is the increase in police and fire retained amount which will increase from \$600,000 each claim to \$750,000 each claim. The Village has not had a claim in that corridor in 10+ years.

I recommend you accept the proposed Option 4 for the 2021 renewal.

Sincerely

Michael Nugent

Cost Summary - Village of Lombard

2021 Renewal Options
January 1, 2021

	Expiring 2020 / 2021	Option 1 2021 / 2022	Option 2 2021 / 2022	Option 3 2021 / 2022	Option 4 2021 / 2022	Option 5 2021 / 2022	Option 6 2021 / 2022
	Safety National /Chubb	Safety National / Chubb	Safety National / Chubb	Safety National / Chubb	Travelers / Chubb	Trident / Chubb	Trident / Chubb
	Libility - Safety National \$10M	Libility - Safety National \$10M/\$5M LEL	Libility - Safety National \$5M	Libility - Safety National \$5M	Libility - Travelers \$11M	Liability - Trident \$11M	Liability - Trident \$11M
	Property - Chubb	Property - Chubb	Property - Chubb	Property - Chubb	Property - Chubb	Property - Chubb	Property - Chubb
	APD - Chubb	APD - Safety National	APD - Safety National	APD -Safety National	APD - Travelers	APD - Argonaut	APD - Argonaut
	Property / APD - Chubb	Property - Chubb / APD - Safety National	Property - Chubb / APD - Safety National	Property - Chubb / APD - Safety National	Property - Chubb / APD - Travelers	Property - Chubb / APD - Trident	Property - Chubb / APD - Trident
	\$100K Liability SIR / \$50K Property Deductible / \$50K APD Deductible	\$100K Liability SIR / \$50K Property Deductible / \$50K APD Deductible	\$100K Liability SIR / \$50K Property Deductible / \$50K APD Deductible	\$200K Liability SIR / \$50K Property Deductible / \$50K APD Deductible	\$100K Liability SIR / \$50K Property Deductible / \$50K APD Deductible	\$200K Liability SIR / \$50K Property Deductible / \$50K APD Deductible	\$150K Liability SIR / \$50K Property Deductible / \$50K APD Deductible
	WC \$500K/\$600K SIR	WC \$500K/\$600K SIR	WC \$500K/\$600K SIR	WC \$500K/\$600K SIR	WC \$500K/\$750K SIR	WC \$500K/\$750K SIR	WC \$500K/\$750K SIR
Property - Chubb	\$ 66,248	\$ 82,794	\$ 82,794	\$ 82,794	\$ 82,794	\$ 82,794	\$ 82,794
Primary Liability	\$ 128,880	\$ 257,215	\$ 226,195	\$ 154,341	\$ 212,434	\$ 214,015	\$ 234,658
Excess Liability \$5M	NA	\$ 80,002	\$ 120,391	\$ 120,391	NA	NA	NA
Excess Liability \$1M x\$10M - w/o T	\$ 10,876	\$ 25,894	\$ 25,894	\$ 29,894	NA	NA	NA
Excess WC	\$ 80,508	\$ 80,631	\$ 80,631	\$ 80,631	\$ 100,122	\$ 100,122	\$ 100,122
Auto Physical Damage (1)	Included w Chubb Property	\$ 59,700	\$ 59,700	\$ 59,700	ncluded with Travelers	Included with Trident	Included with Trident
Cyber	\$ 9,562	\$ 14,500	\$ 14,500	\$ 14,500	\$ 14,500	\$ 14,500	\$ 14,500
Crime Primary	\$ 3,489	\$ 3,518	\$ 3,518	\$ 3,518	\$ 3,518	\$ 3,518	\$ 3,518
Fiduciary - Firefighters	\$ 6,063	\$ 6,063	\$ 6,063	\$ 6,063	\$ 6,063	\$ 6,063	\$ 6,063
Fiduciary - Police	\$ 6,461	\$ 6,461	\$ 6,461	\$ 6,461	\$ 6,461	\$ 6,461	\$ 6,461
Crime Excess	\$ 6,978	\$ 6,897	\$ 6,897	\$ 6,897	\$ 6,897	\$ 6,897	\$ 6,897
Boiler	\$ 2,687	\$ 2,767	\$ 2,767	\$ 2,767	\$ 2,767	\$ 2,767	\$ 2,767
Broker Fee	\$ 36,496	\$ 37,773	\$ 37,773	\$ 37,773	\$ 37,773	\$ 37,773	\$ 37,773
Consulting Fee	\$ 21,600	\$ 21,600	\$ 21,600	\$ 21,600	\$ 21,600	\$ 21,600	\$ 21,600
Total	\$ 379,848	\$ 685,815	\$ 695,184	\$ 627,330	\$ 494,929	\$ 496,510	\$ 517,153
		181%	183%	165%	130%	131%	159%
Property Limit (excludes APD)	\$96,310,000	\$97,979,880	\$97,979,880	\$97,979,880	\$97,979,880	\$97,979,880	\$97,979,880
BI - Tax Interruption - Yorktown Mall	\$10,000,000	\$10,000,000	\$10,000,000	\$10,000,000	\$10,000,000	\$10,000,000	\$10,000,000
Total Liability Limit	\$ 11,000,000	\$ 11,000,000	\$ 11,000,000	\$ 11,000,000	\$ 11,000,000	\$ 11,000,000	\$ 11,000,000
Sex Abuse Molestation	\$ 11,000,000	\$ 11,000,000	\$ 11,000,000	\$ 11,000,000	\$ 11,000,000	\$ 11,000,000	\$ 11,000,000
Crime Limit	\$ 5,000,000	\$ 5,000,000	\$ 5,000,000	\$ 5,000,000	\$ 5,000,000	\$ 5,000,000	\$ 5,000,000
Boiler Limit	\$ 50,000,000	\$ 50,000,000	\$ 50,000,000	\$ 50,000,000	\$ 50,000,000	\$ 50,000,000	\$ 50,000,000
Property Deductible	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000
Auto Physical Damage Deductible	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000
Windstorm Deductible	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000
Flood Zone A Deductible	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000
Liability Self-insured Retention	\$ 100,000	\$ 100,000	\$ 100,000	\$ 200,000	\$ 100,000	\$ 200,000	\$ 150,000
Crime Deductible	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
Boiler Deductible	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000
WC SIR - Police / Fire	\$ 600,000	\$ 600,000	\$ 600,000	\$ 600,000	\$ 750,000	\$ 750,000	\$ 750,000
WC Sir - All Other Employees	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000

(1) for \$100K deductible on the APD the premium will be \$25,017