

VILLAGE OF DOWNERS GROVE
Report for the Village Council Meeting
12/14/2021

SUBJECT:	SUBMITTED BY:
Extension of Protected Self-Insurance for Property, Casualty and Excess Liability Coverage through 12/31/22	Enza Petrarca Village Attorney

SYNOPSIS

A motion is requested for the renewal of the re-insurance for property, casualty, cyber, law enforcement, excess workers compensation, excess liability and attorneys professional liability coverage for the Village for 2022.

STRATEGIC PLAN ALIGNMENT

The goals for 2021-2023 include *Steward of Fiscal, Environmental and Neighborhood Sustainability*

FISCAL IMPACT

The FY22 Budget has sufficient funds in the Risk Management Fund for this program. The total premium fee is \$780,012.

RECOMMENDATION

Approval on the December 14, 2021 consent agenda.

BACKGROUND

The Village of Downers Grove is self-insured for General Liability, Auto Liability and Workers Compensation with Self-Insured Retention (SIR) of \$1,000,000 for General/Auto Liability and for Workers Compensation. The Village also purchases Excess Liability, Property, Pollution, Law Enforcement, Public Officials, Crime, and Cyber Liability policies.

Each year the Village, through its insurance broker, conducts a competitive process to select insurance providers and establish annual premiums. Due to adverse liability claims from law enforcement agencies throughout the United States, many insurers, including the Village's current provider of several policies (Argonaut), are no longer offering coverage. Also, Safety National, which has provided Excess Workers Compensation coverage for the Village for over 30 years, did not submit a competitive quote, and therefore, the Village will be moving to a different provider, Arch Insurance. These changes in the market caused the Village not only to seek new insurance providers in these areas, but also restructure the amounts of Excess Liability to align with the amounts available in the market.

The following table summarizes the types of coverages, and the outgoing and proposed carriers and premiums. All policies will have effective dates of 12-31-21 through 12-31-22.

Coverage	Expiring Carrier	Expired Premium 2021	Proposed Carrier	Proposed Premium 2022	% Change
General Liability (includes TRIA)	Argonaut	\$25,528	Liberty	\$50,574	+98%
Auto Liability	Argonaut	\$46,435	Liberty	\$67,840	+46%
Auto Physical Damage	Argonaut	\$21,233	Liberty	Included - Auto	
Law Enforcement Liability	Argonaut	\$40,506	Liberty	\$14,726	-64%
Public Officials and Employment Practices	Argonaut	\$43,654	Liberty Public Off Only	\$10,908	-75%
Employment Practices	Argonaut	Incl -POL	Liberty	\$30,225	
Property	Chubb Group	\$84,007	Chubb Group	\$83,292	-1%
Pollution	ACE/Chubb	\$12,112	ACE/Chubb	\$12,863	+6%
Cyber	Travelers	\$38,726	Travelers	\$43,000	+11%
Crime	Travelers	Incl - Cyber	Travelers	\$4,930	
Lead Excess (\$9MM XS \$1MM)*	N/A		Liberty	\$76,596	
1 st Layer Excess (\$10M XS \$10M)	Allied Public Risk	\$61,393	Allied Public Risk	\$78,448	+28%
2 nd Layer Excess (\$10M XS \$20M)	Berkley	\$65,650	Berkley	\$75,750	+15%
3 rd Layer Excess (\$5M XS \$30M)	Markel	\$26,250	Markel	\$36,750	+40%
Excess Employment Practices \$5M XS \$5M	N/A		Indian Harbor	\$18,000	
Workers' Compensation	Safety National	\$243,769	Arch	\$171,174	-30%
Corporate Counsel Professional Liability	Zurich	\$4,936	Zurich	\$4,936	0%
Total		\$714,199		\$780,012	+9.2%

VILLAGE OF DOWNERS GROVE
COUNCIL ACTION SUMMARY

INITIATED: Village Attorney DATE: December 14, 2021
(Name)

RECOMMENDATION FROM: _____ FILE REF: _____
(Board or Department)

NATURE OF ACTION:

- Ordinance
- Resolution
- Motion
- Other

STEPS NEEDED TO IMPLEMENT ACTION:

Motion to authorize the purchase and renewal of general liability, property, excess liability, professional liability, law enforcement, cyber, and workers compensation insurance coverages.



SUMMARY OF ITEM:

Adoption of this motion will authorize the purchase and renewal of general liability, property, excess liability, professional liability, law enforcement, cyber and workers compensation insurance coverages for the Village through December 31, 2022.

RECORD OF ACTION TAKEN:
