



**RESOLUTION NO. \_\_\_\_**

**A RESOLUTION AUTHORIZING EXECUTION OF A BROKER OF RECORD AGREEMENT  
BETWEEN THE VILLAGE OF DOWNERS GROVE AND MARSH USA**

BE IT RESOLVED by the Village Council of the Village of Downers Grove, DuPage County, Illinois, as follows:

1. That the form and substance of a certain Service Agreement (the "Agreement"), between the Village of Downers Grove (the "Village") and Marsh USA (the "Broker"), for property, excess liability and fidelity (crime) insurance, as set forth in the form of the Agreement submitted to this meeting with the recommendation of the Village Manager, is hereby approved.

2. That the Village Manager and/or Staff are hereby respectively authorized and directed for and on behalf of the Village to execute, attest, seal and deliver the Agreement, substantially in the form approved in the foregoing paragraph of this Resolution, together with such changes as the Manager shall deem necessary.

3. That the proper officials, agents and employees of the Village are hereby authorized and directed to take such further action as they may deem necessary or appropriate to perform all obligations and commitments of the Village in accordance with the provisions of the Agreement.

4. That all resolutions or parts of resolutions in conflict with the provisions of this Resolution are hereby repealed.

5. That this Resolution shall be in full force and effect from and after its passage as provided by law.

\_\_\_\_\_  
Mayor

Passed:

Attest: \_\_\_\_\_  
Village Clerk

January 18, 2002

Mr. Dennis Burke  
Risk Manager  
Village of Downers Grove  
801 Burlington Avenue  
Downers Grove, Illinois 60515-4776

**MARSH**  
An **MMC** Company

Re: Service Agreement

Dear Dennis:

We are pleased that you have chosen Marsh USA Inc. to be your insurance broker. We look forward to *continuing* a mutually rewarding and long-standing relationship with the **Village of Downers Grove, Downers Grove, Illinois.**

Our goal is to provide a level of service that assures your satisfaction. The first step in realizing this goal is to ensure that we share a mutual understanding of our relationship. To this end, we have agreed to provide our traditional *property, excess liability and fidelity (crime) insurance coverages* to you at an annual fee of \$ 15,000. Compensation will be reviewed and negotiated on an annual basis. Additional services such as, but not limited to *captive management, risk management claims information systems - STARS, benchmarking - Dimensions, strategic risk assessment, business continuation planning, specialized loss control & safety consulting, extraordinary claims services, interactive on-line client services, employee benefits* can be negotiated for a separate fee. In the event there is a significant change in your operations which affects the nature and scope of your program, we both agree to renegotiate this fee as appropriate. With respect to insurance placed by us on your behalf, all coverages will be placed net of commission. However, in the event a carrier will not quote net, we will disclose to you all commissions received by us and credit them against the annual fee. In the event such commissions for a contract year exceed our annual fee for that year, then excess commissions will be returned to you if permitted by law. Otherwise, excess commissions will be carried forward and applied against our annual compensation for subsequent years. Such commissions do not include wholesale brokerage fees or commissions, administrative fees and similar items or payments that we may receive, in accordance with the custom in our industry, under agreements with certain insurers which provide for payments based upon such factors as the overall book of business placed by us and our affiliates, the performance of that book or the aggregate commissions paid for that book. At your request, Marsh will provide additional information.

We will utilize the services of wholesale or other intermediaries to assist in the marketing of your insurance, when in our professional judgment it is necessary or appropriate. Such intermediaries may be affiliates of ours or other intermediaries not related to us. The compensation of intermediaries/wholesalers is not included in our fee and will be paid by insurers out of paid premiums.

In certain cases, placements which we make on your behalf may require the payment of surplus lines taxes and/or fees to state regulators, boards or associations. Such taxes will be charged to you and

identified separately on invoices covering these placements.

We will monitor published financial information of your current insurers and alert you when their status falls below our minimum guidelines. We will not, however, be responsible for the solvency or ability to pay claims of any insurance carrier. Insurers with whom your risks are placed will be deemed acceptable to you, in the absence of contrary instructions from you.

Our retention by you shall be continuous until terminated. Both parties retain the right to terminate this service arrangement upon 90 days written notice. In the event of termination, we will assist you in arranging a smooth transition. However, our and our affiliates' obligation to provide services to you will end upon the effective date of the termination. In the event of a mid-service year termination by you, our annual compensation will be deemed fully earned.

If we terminate our arrangements with you, our annual compensation will be deemed earned on a pro-rata basis.

We appreciate your business and we look forward to working with you. Unless you inform us in writing to the contrary, we will presume that this letter accurately reflects the terms of our engagement. Please acknowledge your acceptance of this service agreement by affixing your signature below. Retain the original and return a copy directly to me.

Sincerely,

*Maureen McGowan 1-18-02*

**Maureen McGowan**  
**Vice President**  
**Marsh USA Inc.**

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**Dennis Burke**  
**Risk Manager**  
**Village of Downers Grove**