



AGENDA ITEM EXECUTIVE SUMMARY

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|--|---|--|--|
| Agenda Item: | Insurance Package Renewal effective May 1, 2024 | | |
| Presenter & Title: | Benjamin McCready, ACA/DOAS | | |
| Date: | April 1, 2024 | | |
| <i>Please Check Appropriate Box:</i> | | | |
| <input checked="" type="checkbox"/> | Committee of the Whole Meeting | <input type="checkbox"/> | Special Committee of the Whole Meeting |
| <input checked="" type="checkbox"/> | City Council Meeting | <input type="checkbox"/> | Special City Council Meeting |
| <input type="checkbox"/> | Public Hearing | <input type="checkbox"/> | Other - |
| Associated Strategic Plan Goal/Objective: EMS-II | | | |
| Estimated Cost: \$883,186 | | Budgeted? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No | Other Funding? <input type="checkbox"/> Yes <input type="checkbox"/> No |
| <i>If "Other Funding," please explain how the item will be funded:</i> | | | |
| Executive Summary: | | | |
| <p>The City’s commercial insurance packages include coverage for City property, general liability, employment practices, law enforcement, public officials’, automobile liability and physical damage, crime, cyber liability, umbrella liability, excess errors and omissions, electric utility, and workers’ compensation insurance. Due to the timing of renewal and market conditions, staff recommends this item be approved to ensure the City remains adequately covered. The attached premium summary from Arthur J. Gallagher, Inc. outlines the renewal proposal for these coverages set to expire April 30, 2024. The recommended renewal and maintains the City’s existing coverages and limits for FY 2025. The renewal, 11.6% increase over expiring, reflects an improving market. The market for public entities however, continues to be impacted by Midwest property losses, interest rates, construction and vehicles costs, and cyber-attacks.</p> | | | |
| Attachments: <i>(please list)</i> | | | |
| <ul style="list-style-type: none"> • Resolution • Premium Summary | | | |
| Voting Requirements: | | | |
| <p><i>This motion requires a simple majority of affirmative votes for passage. (City Council Only)</i></p> <p><i>The Mayor may vote on three occasions: (a) when the vote of the alderpersons has resulted in a tie; (b) when one half of the alderpersons elected have voted in favor of an ordinance, resolution, or motion even though there is no tie vote; or (c) when a vote greater than a majority of the corporate authorities is required by state statute or local ordinance to adopt an ordinance, resolution, or motion.</i></p> | | | |
| Recommendation / Suggested Action: <i>(how the item should be listed on agenda)</i> | | | |
| Recommend Approval of Resolution Authorizing Acceptance of Proposal to Bind Insurance Coverage at a total cost of \$883,186. | | | |

RESOLUTION NO. 2024-44

**RESOLUTION AUTHORIZING ACCEPTANCE OF PROPOSAL TO BIND
COVERAGE FOR PROPERTY, INLAND MARINE, CRIME, GENERAL
LIABILITY, AUTOMOBIE, EMPLOYMENT PRACTICES, LAW ENFORCEMENT,
PUBLIC OFFICIALS', CRIME, CYBER, EXCESS LIABILITY, AND WORKERS'
COMPENSATION INSURANCE EFFECTIVE MAY 1, 2024**

**BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF GENEVA,
KANE COUNTY, ILLINOIS**, as follows:

SECTION 1: That the City Administrator, or designee, is hereby authorized to accept on behalf of the City of Geneva, the proposal to bind the City’s property, inland marine, general liability, automobile, employment practices, law enforcement, public officials', crime, cyber, excess liability, and workers' compensation insurance effective May 1, 2024.

SECTION 2: This Resolution shall become effective from and after its passage as in accordance with law.

PASSED by the City Council of the City of Geneva, Kane County, Illinois, this ___th day of April, 2024.

AYES: _ NAYS: _ ABSENT: _ ABSTAINING: _ HOLDING OFFICE: _

Approved by me this ___th day of April, 2024.

Mayor

ATTEST:

City Clerk

2024-2025 Premium Exposure Comparison

| Coverages | Carriers | 2023-2024 Premium | 2024-2025 Premium | Premium Difference | Premium % | Comments |
|---|--|-------------------|-------------------|--------------------|-----------|--|
| Property (City) | Federal Insurance Company (Chubb) | \$ 156,486 | \$ 173,188 | \$ 16,702 | 11% | Equipment Breakdown Coverage is included w/ \$5M BI/EE Limit |
| Property (Utility) | Federal Insurance Company (Chubb) | \$ 213,851 | \$ 246,802 | \$ 32,951 | 15% | Equipment Breakdown Coverage is included with \$10M Business Income/Extra Expense Limit. |
| Package including Public Officials, Law Enforcement, Employment Practices, Excess Liability | Argonaut Great Central Insurance Company | \$ 204,578 | \$ 236,548 | \$ 31,970 | 16% | Reflects increases in exposure and experience. |
| Excess Liability | American Alternative Insurance Company | \$ 20,000 | \$ 22,153 | \$ 2,153 | 11% | American Alternative quoted \$22,153 for the renewal term. |
| Governmental Crime | Travelers Casualty & Surety Company | \$ 1,883 | \$ 1,883 | \$ - | 0% | Travelers quoted \$1,883 2nd Installment of 3 year policy. |
| Cyber Liability | Houston Casualty Company | \$ 21,443 | \$ 21,443 | \$ - | 0% | Houston Casualty quoted \$21,443 for the renewal term |
| Workers' Compensation | Illinois Public Risk Fund | \$ 140,212 | \$ 147,619 | \$ 7,407 | 5% | Reflects new rates and staffing for FY 2025. |
| Gallagher Brokerage Fee | Arthur J. Gallagher | \$ 32,573 | \$ 33,550 | \$ 977 | 3% | |
| TOTAL PREMIUM | | \$ 791,026 | \$ 883,186 | \$ 92,160 | 12% | |
| IPRF GRANT | | \$ (18,322) | \$ (16,809) | \$ 1,513 | -8% | Grant based on overall experience and IPRF program. |
| TOTAL w/ GRANT | | \$ 772,704 | \$ 866,377 | \$ 93,673 | 12% | |