



AGENDA ITEM EXECUTIVE SUMMARY

Agenda Item:	Property, general liability, automobile, public officials' employment practices, law enforcement, crime, cyber, excess liability, and workers' compensation insurance coverage effective May 1, 2025		
Presenter & Title:	Benjamin McCready, ACA/DOAS		
Date:	April 7, 2025		
Please Check Appropriate Box:			
<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: \$951,525	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', auto liability and physical damage, crime, cyber liability, umbrella liability, excess errors and omissions, electric utility, and workers' compensation insurance. The attached summary from Arthur J. Gallagher, Inc. outlines the recommended renewal for coverages expiring April 30, 2025. The renewal maintains the City's existing coverages and limits with minimal changes, the notable exception being the City's property deductible increasing to \$10,000. The City obtained a favorable cyber liability quote which reflects implementation of best practices, the recommended carrier provides comparable coverage at a reduced cost. The renewal, 8% increase over expiring, is in large part driven by the increased value of the City's fleet, construction costs, utilization of drones, and claim activity. The market for public entities however, continues to be impacted by property losses, construction costs, cyber-attacks, and storm damage. Staff will work with the City's broker to reduce exposure by removing newly declared surplus vehicles and seek premium credit where warranted.</p>			
Attachments: <i>(please list)</i>			
<ul style="list-style-type: none"> • Memorandum • Resolution and 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 \$951,525.			

April 1, 2025

City of Geneva
22 South First Street
Geneva, IL 60134

RE: 2025-2026 Insurance Renewal

Dear Mayor and Council,

Gallagher is pleased to present this year's terms for the City's Property, Casualty, and Workers Compensation renewal. Given the current state of the marketplace, our team is pleased with the terms and negotiated pricing for this program year.

The marketplace has become a little more predictable than in the past couple of years. Although the Public Entity marketplace is still limited with fewer insurance companies offering programs now over the same time-period last year, insurance carrier coverages, limits and terms has been consistent for most communities. As always, we will continue to keep you aware of changing marketplace trends throughout the year.

In addition to market trends, the City of Geneva's renewal reflects changes in property values, operating expenditures, payroll, number of vehicles and vehicle values from the previous renewal. In spite of these changes, we were able to obtain very favorable terms with an overall premium increase of 8%. This increase is within the average range of 7-9% over the past three quarters for municipalities in Illinois.

The City has also been awarded a safety grant of \$17,632 from your workers compensation carrier, IPRF (Illinois Public Risk Fund). This grant reflects positive performance in workers compensation this year and minimal claims. The fact this grant has increased the past 5 years attests to the City's strong commitment to safety and risk management practices implemented by staff.

The only change in deductibles applies to the property insurance for city owned locations (excluding the electric utility). Chubb's underwriting team informed us that there is a corporate directive to increase property deductibles on municipal risks to \$25,000. However, we were able to work with the underwriters who agreed to a "stair step" approach, allowing the change to take place gradually. As a result, the city's property deductible this year will be \$10,000 with the understanding that it will increase in the future.

Overall, the 2025-2026 recommended renewal is competitive and maintains the City's current carriers, coverages and limits. If the City renews with the recommended program, the total premium increase is \$68,339, or 7.7%, over the expiring program costs.

We appreciate staff's work in providing timely renewal information and look forward to continuing our relationship with the City of Geneva.

Sincerely,

Rich Stokluska
Area Senior Executive Vice President

RESOLUTION NO. 2025-33

**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 COVERAGE EFFECTIVE MAY 1, 2025**

**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 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 coverage effective May 1, 2025 as outlined at Exhibit A.

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 __ day of April, 2025.

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

Approved by me this ___ day of April, 2025.

Mayor

ATTEST:

City Clerk

GENEVA

ILLINOIS

2025-2026 Premium Comparison

Arthur J. Gallagher

Coverages	Carriers	2024-2025 Premium	2025-2026 Premium	Premium Difference	Premium %	Comments
Property (City)	Federal Insurance Company (Chubb)	\$ 173,188	\$ 179,496	\$ 6,308	4%	Equipment Breakdown Coverage is included w/ \$5M BI/EE Limit. Includes Unmanned Aircraft schedule and TRIA at cost of \$14,659.
Property (Utility)	Federal Insurance Company (Chubb)	\$ 246,802	\$ 240,096	\$ (6,706)	-3%	Equipment Breakdown Coverage is included with \$10M Business Income/Extra Expense Limit. Includes TRIA at cost of \$9,787.
Package including Public Officials, Law Enforcement, Employment Practices, Excess Liability	Argonaut Great Central Insurance Company	\$ 236,548	\$ 305,370	\$ 68,822	29%	Reflects increases in exposure in fleet and budget. Quote includes Law Enforcement Drone Liability Coverage. Increase reflective of loss activity. Quote includes TRIA.
Excess Liability	American Alternative Insurance Company	\$ 22,153	\$ 23,591	\$ 1,438	6%	American Alternative quoted \$23,591 for the renewal term.
Governmental Crime	Travelers Casualty & Surety Company	\$ 1,883	\$ 1,883	\$ -	0%	Travelers quoted \$1,883 3rd Installment of 3 year policy.
Cyber Liability	Houston Casualty Company	\$ 21,443	\$ 16,988	\$ (4,455)	-21%	Houston Casualty quoted \$21,443. Great American quoted \$16,988 for the renewal term.
Workers' Compensation	Illinois Public Risk Fund	\$ 147,619	\$ 149,541	\$ 1,922	1%	Reflects current staffng and payroll.
Gallagher Brokerage Fee	Arthur J. Gallagher	\$ 33,550	\$ 34,560	\$ 1,010	3%	
TOTAL PREMIUM		\$ 883,186	\$ 951,525	\$ 68,339	7.7%	
IPRF GRANT		\$ 16,809	\$ 17,632	\$ 823	5%	Grant based on overall experience and IPRF program.