MEMORANDUM

To: Finance and Administration Committee

From: Timothy Sexton, Director of Finance

Date: December 1, 2022

Subject: Village Insurance Renewal

Please find attached the report from our Risk Management Consultant, Mike Nugent, on the 2023 insurance renewal program. There are three options that involve different choices related to workers compensation (WC) - Safety National, Midwest Employers Casualty (MEC) and Illinois Public Risk Fund (IPRF). Mr. Nugent will be at the Finance and Administration Committee meeting on December 5, 2022 to discuss both options.

Staff and Mr. Nugent are recommending Option 3 with IPRF for WC. Last year, staff knew that WC premiums were escalating quickly over the last few years and would continue to do so, and the Finance Committee was advised there was research to be done outside of our historical Safety National option. Two pools were considered this year, MEC and IPRF. MEC however had a $1.25 million self-insured retention on Police and Fire WC claims, so this was just not a competitive option.

Staff held multiple meetings with IPRF this year to determine how they operated, and the structure of their pool. In addition, staff spoke with multiple other municipalities of Lombard's size in the Chicago area that belong to IPRF, and they were all satisfied with the pool. One final point, related to joining a pool. Some long-time members may recall when the Village was part of IRMA, back through 1998. IRMA required lard capital reserves to be put into the pool. After Lombard exited IRMA in 1998, Lombard did not receive all of its capital reserves back until 2020, 22 years later. IPRF does not operate the same model as IRMA, as there are no large deposit requirements to join. Simply stated, if for whatever reason the Village is not happy with the pool after one year, the Village can simply move onto another option and there is no money that the pool would keep for an extensive period of time. Also attached is some basic information on IPRF.

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

Village of Lombard

2023 Renewal Costs Estimates

	Item	2021	2022	Nugent Estimate August 2023	Travelers / Safety National 2023	Travelers / MEC 2023	Travelers / IPRF 2023	
1	Excess Property	$ 82,794	$ 91,557	$ 102,000	$ 97,557	$ 97,557	$ 97,557	
2	Primary Package	$ 212,434	$ 225,957	$ 243,000	$ 248,424	$ 248,424	$ 248,424	
3	Boiler	$ 2,767	$ 2,805	$ 3,000	$ 3,200	$ 3,200	$ 3,200	
4	Crime	$ 10,415	$ 10,519	$ 11,000	$ 11,287	$ 11,287	$ 11,287	
5	Broker Fee	$ 37,773	$ 38,528	$ 39,500	$ 39,229	$ 39,229	$ 39,229	
6	Consulting	$ 21,600	$ 22,350	$ 24,000	$ 23,700	$ 23,700	$ 23,700	
7	Ex Workers Compensation	$ 100,122	$ 125,008	$ 150,000	$ 152,125	$ 126,510	$ 166,415	
8	Cyber Coverage	$ 14,500	$ 26,447	$ 40,000	$ 42,331	$ 42,331	$ 42,331	
9	Police & Fire Pension Fiduciary	$ 12,524	$ 13,786	$ 14,000	$ 13,786	$ 13,786	$ 13,786	
10	National Flood Insurance	$ 1,800	$ 1,800	$ 2,000	$ 2,000	$ 2,000	$ 2,000	
11	TPA Fees	$ 72,026	$ 78,291	$ 85,000	$ 80,000	$ 80,000	$ 26,000	CCMSI Costs
12	**Total Costs**	**$ 568,755**	**$ 637,048**	**$ 713,500**	**$ 713,639**	**$ 688,024**	**$ 673,929**	
				12.00%				
	Terms							
14	**WC SIR - All Other**	$ 500,000	$ 500,000	$ 500,000	$ 500,000	$ 500,000	$ 500,000	
15	**WC SIR - Police/Fire**	$ 750,000	$ 750,000	$ 750,000	$ 750,000	$ 1,250,000	$ 500,000	
16	**Property SIR**	$ 50,000	$ 50,000	$ 50,000	$ 50,000	$ 50,000	$ 50,000	
17	**Liability SIR**	$ 100,000	$ 100,000	$ 100,000	$ 100,000	$ 100,000	$ 100,000	
18	**Auto Physical Damage**	$ 50,000	$ 50,000	$ 50,000	$ 50,000	$ 50,000	$ 50,000	
19	**Boiler Deductible**	$ 5,000	$ 5,000	$ 5,000	$ 5,000	$ 5,000	$ 5,000	
20	**Total Libility Limits**	$ 11,000,000	$ 11,000,000	$ 11,000,000	$ 11,000,000	$ 11,000,000	$ 11,000,000	
21	**Crime Retention**	$ 25,000	$ 25,000	$ 25,000	$ 25,000	$ 25,000	$ 25,000	
22	**Cyber Deductible**	$ 10,000	$ 10,000	$ 10,000	$ 25,000	$ 25,000	$ 25,000	

IPRF
ILLINOIS PUBLIC RISK FUND

The Leader in Workers' Compensation Insurance for Public Entities in Illinois

Cost Control Through Cooperation Since 1985

AAA FINANCIAL RATING

Based on Demotech's review of audited financial statements, actuarial reports and related financial information, IPRF has received the highest financial stability rating AAA Unsurpassed.

IPRF GRANT POGRAM GIVES BACK

Designed to ease the burden of safety related expenses, the grant program covers products that have been identified by our Loss Control agents that will assist in reducing injuries and or illnesses. To date, over **$62 million dollars in dividends/grants have been given back to our members.**

IPRF/LEXIPOL GRANT PLUS PROGRAM

Beginning in 2018, IPRF members will receive a 10% discount off of Lexipol training products. In addition, IPRF will reimburse our members 25% up to their allotted grant amount. Members will also receive a complimentary 12-hour introductory Agency Assistance Plan (an $1,800 value) and a 25% discount on selected professional services.

The Illinois Public Risk Fund has over 740 members comprised of Illinois local governmental entities and public agencies.

IPRF COVERAGE

Employee Liability $3,000,000

Volunteers Coverage

Broad Form All States Coverage

Longshoreman's & Harbor Workers' Compensation Act

Approved Physical Fitness & Training Programs

7851 W. 185th Street Tinley Park, IL 60477 Phone: (708) 429-6300
(800) 289-IPRF Fax: (708) 429-6488 www.iprf.com

ILLINOIS PUBLIC RISK FUND

LOSS CONTROL

Cost Control Through Cooperation Since 1985

ONLINE COMMUNITY FORUM

Every IPRF member has the ability to access the online Community Forum. The forum is designed to allow members to connect with IPRF staff and other IPRF members to ask questions or gain insights on topics related to safety, loss control, claims or other relevant subjects.

MONTHLY SAFETY REMINDERS

Risk Reminders are sent out each month for employers to share with employees to help manage risk. Risk Reminders cover topics within different classifications such as police, fire, schools, public works and more. IPRF also publishes a bi-monthly loss control newsletter.

WEB TRAINING

IPRF provides members with a monthly training program model and an online loss control manual. Online training is free and includes over 100 available courses. It can be delivered whenever it is convenient for employees and is effective. Some training modules are also available in Spanish.

ADDITIONAL BENEFITS

Simulator Training

Firearms safety, fire extinguisher safety and driver safety

Loss Control Mobile App

Quick reference guide and digital library of safety information including fillable forms and checklists

Gap Analysis

Provided by classification such as fire departments, park districts and public works

OSHA Compliance

Provide an on-site, in-depth evaluation to determine the effectiveness of current occupational health and safety efforts

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CLAIMS MANAGEMENT

Cost Control Through Cooperation Since 1985

DEDICATED CLAIMS TEAM

IPRF member Claims Teams consist of : Three (3) Adjusters, a Medical Only Adjuster, a Supervisor and a Claims Assistant.

CLAIMS REPORTING SYSTEM

Our claims reporting system includes a First Notice of Loss 800 number that is available 24/7/365. This service will feed data directly into the IPRF claim system. Next step instructions are provided to the member at the close of each call.

IPRF CLAIM PORTAL (iCE) and CLAIMVIEW

As an employer, you want to know the status of a claim. Through the IPRF Claim Portal employers can report claims, view claim status, claim notes and download OSHA reports all in real-time. Conversely, there is also a mobile friendly portal, CLAIMVIEW, for injured workers in which they can view lost time payments, upload documents via photo and communicate with their adjuster.

IPRF HEALTH NAVIGATOR

When an injured worker's claim is reported, IPRF generates and emails a Health Navigator that gives the employee all the details they need regarding medical providers, pharmacy information and the One Call Care system. One Call Care is your one-stop shop for the scheduling of additional appointments including home health, physical therapy, diagnostic services and more.

ADDITIONAL BENEFITS

In-House Nurse

Available to discuss medical issues with members and assist adjusters

PPO/Managed Care Services

Over 10,000 physicians and facilities throughout Illinois

NPS First Fill Scripts

Avoid out-of-pocket costs using First Fill for all work-related injury prescriptions

Aggressive Subrogation

Includes member out-of-pocket expenses

Attorney Selection

IPRF members can select their own defense counsel subject to IPRF's litigation management process and approval

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