

## Clerk's Contract and Agreement Cover Page

**Year:** 2010

**Legistar File ID#:** 2009-0486

**Multi Year:**

**Amount** \$65,000.00

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**Contract Type:**

Professional Services

**Contractor's Name:**

Horton Group

**Contractor's AKA:**

**Execution Date:**

12/31/2009

**Termination Date:**

12/31/2010

**Renewal Date:**

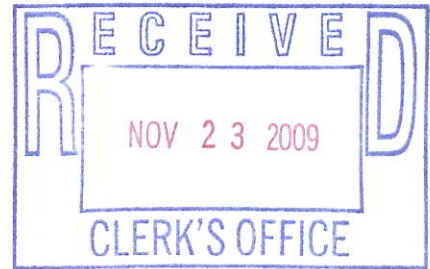
**Department:**

Finance

**Originating Person:**

Annmarie Mampe

**Contract Description:** FY2010 Liability Insurance Renewal



# Letter of Transmittal



Date: November 23, 2009

To: Ms. Debbie Matas  
The Horton Group  
10320 Orland Parkway  
Orland Park, IL 60467  
708-845-3307  
708-845-4307 fax

From: Denise Domalewski, Contract Administrator  
Village of Orland Park  
14700 S. Ravinia Ave.  
Orland Park, IL 60462  
708-403-6173  
708-403-9212 (fax)  
ddomalewski@orland-park.il.us

Debbie,

Attached is the signed Service Retainer Agreement for 2010. Let me know if you need anything else.

Thanks,  
Denise

## Service Retainer Agreement

This Agreement is made this 31<sup>st</sup> day of December, between Village of Orland Park. of 14700 S. Ravinia Avenue Orland Park, IL 60462, hereinafter referred to as "Village of Orland Park.", and The Horton Group, Inc. of 10320 Orland Parkway, Orland Park, IL 60467 hereinafter referred to as "Horton".

WHEREAS, Horton, together with its affiliated entities (its "Affiliates"), operates insurance agencies and related businesses which procure numerous lines and types of insurance products and provide various related services to accounts located throughout the areas of the United States in which Horton and such Affiliates may operate, from time to time; and

WHEREAS, Village of Orland Park. desires to engage Horton to provide certain commercial property and casualty services in exchange for the fees as outlined in this Agreement.

NOW, THEREFORE, the parties hereto agree as follows:

1. The term of this Agreement shall commence as of December 31, 2009, and shall remain in effect for a period of 1 year(s) thereafter ending on, December 31, 2010 unless earlier terminated as hereinafter provided.
2. Horton shall be compensated \$65,000 by Village of Orland Park. for Horton performing any or all of the following core services:
  - a. Insurance Company Liaison by negotiating and communicating with insurers regarding all coverage placements, terms and conditions.
  - b. General Administrative Services, as needed, to properly address all ongoing account needs, such as issuing certificates of insurance, binders and auto ID cards, policy reviews, and processing all change and endorsement requests.
  - c. Safety Services performed as needed or required pertaining to work performed by Network Safety Consultants, a Horton subsidiary.
  - d. Claims Advocacy Services by ongoing liaison work between insurance company claims representatives, insureds, claimants, and all related parties, including in-person claim reviews.
  - e. Risk Transfer Services of reviewing contracts and indemnification agreements pertaining to insurance policies.
  - f. Workers' Compensation Services by projecting and verifying experience modification, unit stat card preparations and loss sensitive plan projections.

3. The Service Retainer is in lieu of agent commissions normally paid to Horton by the insurance carriers involved. Any standard agent commissions received by Horton shall be credited by Horton against past due and future installments of the Service Retainer. The credits shall be reflected at the end of each twelve-month term.

Horton may receive additional compensation from the insurance companies in the forms of, including but not limited to, contingent commission or bonus commission. Upon request, Horton is pleased to disclose all compensation amounts as well as any other contingent or similar agreements that may be in place.

4. It is understood that this Service Retainer Agreement is open to review at any time by either party. It is also understood that in the event Horton's retention is terminated by Village of Orland Park, within 90 days of the inception of applicable insurance policy or contract, all unearned amounts of the Service Retainer previously paid to Horton will be refunded to Village of Orland Park, based on a pro rata calculation on the effective date of termination. It is also understood that in the event Horton's retention is terminated by Village of Orland Park, after 90 days of the inception of the applicable insurance policy or contract, all fees outlined in the Service Retainer Agreement are fully earned and shall become immediately due and payable.
5. The Service Retainer Agreement covers only those specifically listed services above and only those operations currently insured by the insurance program to be serviced under this agreement. Fees for additional services requested or required by Village of Orland Park, shall be separately negotiated.

Village of Orland Park

By: \_\_\_\_\_

Name: PAUL G. GRIMES

Title: VILLAGE MANAGER

Date: 11/18/09

The Horton Group, Inc.

By: \_\_\_\_\_

Name: MICHAEL K. GLEASON

Title: SENIOR VP / PARTNER

Date: 11-5-2009

The Horton Group is an Equal Employment Opportunity Employer



# VILLAGE OF ORLAND PARK

14700 Ravinia Avenue  
Orland Park, IL 60462  
www.orland-park.il.us

## Master

File Number: 2009-0486

|   |              |                                     |
|---|--------------|-------------------------------------|
| File ID: 2009-0486  | Type: MOTION | Status: PASSED                      |
| Version: 1  | Reference:   | Controlling Body: Board of Trustees |
| Department: Finance Department                              | Cost:        | File Created Date : 10/12/2009      |
| Agenda Entry: FY2010 Liability Insurance Renewal - Approval |              | Final Action: 10/19/2009            |
| Title: FY2010 Liability Insurance Renewal - Approval        |              |                                     |

### Notes:

### Code Sections:

Agenda Date: 10/19/2009

### Indexes:

Agenda Number:

### Sponsors:

Res/Ord Date:

Attachments: Coverage Summary

Res/Ord Number:

### Drafter:

Hearing Date:

Department finance@orland-park.il.us

Effective Date:

### Contact:

## History of Legislative File

| Ver- sion: | Acting Body:        | Date:   | Action:                 | Sent To:          | Due Date: | Return Date: | Result: |
|------------|---------------------|---|-------------------------|-------------------|-----------|--------------|---------|
| 0          | Finance Committee   | 10/12/2009  | NO ACTION               |                   |           |              |         |
|            | <b>Action Text:</b> | This item was for discussion only, NO ACTION was taken.   |                         |                   |           |              |         |
|            | <b>Notes:</b>       | <i>The Horton Group has provided the Village with its renewal premium amounts for Fiscal Year 2010 for all property and liability insurance policies.</i>   |                         |                   |           |              |         |
|            |                     | <i>Overall, the Village's FY2010 liability and property premiums increased approximately 3% as compared to FY2009 premiums. The majority of this increase is due to growth in the payrolls, population and property values. The deductible/retention amounts have remained constant, with the exception of auto physical damage on private passenger vehicles (increased from \$5,000 to \$10,000).</i> |                         |                   |           |              |         |
|            |                     | <i>Mr. Michael Gleason from the Horton Group was present at the Finance Committee meeting to explain the renewal process and answer any questions.</i>  |                         |                   |           |              |         |
| 0          | Finance Department  | 10/12/2009  | INTRODUCED TO COMMITTEE | Finance Committee |           |              |         |
|            | <b>Action Text:</b> | INTRODUCED TO COMMITTEE to the Finance Committee  |                         |                   |           |              |         |
| 1          | Finance Department  | 10/13/2009  | INTRODUCED TO BOARD     | Board of Trustees |           |              |         |
|            | <b>Action Text:</b> | INTRODUCED TO BOARD to the Board of Trustees  |                         |                   |           |              |         |
| 1          | Board of Trustees   | 10/19/2009  | APPROVED                |                   |           |              | Pass    |
|            | <b>Action Text:</b> | A motion was made by Trustee Edward Schussler, seconded by Trustee Kathleen Fenton, that this matter be APPROVED. The motion CARRIED by the following vote:   |                         |                   |           |              |         |
|            | <b>Notes:</b>       | <i>The Horton Group has provided the Village with its renewal premium amounts for Fiscal Year 2010 for all property and liability insurance policies. A summary renewal packet was given to the Board for</i>   |                         |                   |           |              |         |

reference purposes.

Mr. Michael Gleason from the Horton Group was present to explain the renewal process and answer questions.

Overall, the Village's FY2010 liability and property premiums increased approximately 3% as compared to FY2009 premiums. The majority of this increase is due to growth in the payrolls, population and property values. The deductible/retention amounts have remained constant, with the exception of auto physical damage on private passenger vehicles (increased from \$5,000 to \$10,000).

Aye: 5 Trustee Murphy, Trustee Fenton, Trustee Dodge, Trustee Schussler, and Village President McLaughlin

Nay: 0

Abstain: 1 Trustee O'Halloran

Absent: 1 Trustee Gira

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### Text of Legislative File 2009-0486

#### ..Title

FY2010 Liability Insurance Renewal - Approval

#### History

The Horton Group has provided the Village with its renewal premium amounts for Fiscal Year 2010 for all property and liability insurance policies. A summary renewal packet is attached to this agenda item for reference purposes.

Overall, the Village's FY2010 liability and property premiums increased approximately 3% as compared to FY2009 premiums. The majority of this increase is due to growth in the payrolls, population and property values. The deductible/retention amounts have remained constant, with the exception of auto physical damage on private passenger vehicles (increased from \$5,000 to \$10,000).

Mr. Michael Gleason from the Horton Group will be present at the Finance Committee meeting to explain the renewal process and answer any questions.

On October 12, 2009, this item was discussed by the Finance Committee and referred to the Board for approval.

#### Financial Impact

The attached documents identify the overall budget impact. The total premium amount of \$864,609, which includes the Horton Group's annual service fee, will be included in the FY2010 budget.

#### Recommended Action/Motion

I move to approve the recommendations from the Horton Group for property and liability insurance coverage effective January 1, 2010.

and

to retain the services of the Horton Group for FY2010.

# Village of Orland Park



Effective:

1/1/2010 – 1/1/2011

Presented by:

**Michael K. Gleason**  
**Senior Vice President**

The Horton Group  
10320 Orland Parkway  
Orland Park, Illinois 60467  
Phone: 708-845-3326 Fax: 708-845-4326  
[mike.gleason@thehortongroup.com](mailto:mike.gleason@thehortongroup.com)  
[www.thehortongroup.com](http://www.thehortongroup.com)

# Coverage Summary

## General Liability and Auto Liability:

|                            | <b>Limit</b> |
|----------------------------|--------------|
| Each Occurrence            | \$ 2,000,000 |
| Aggregate where applicable | \$ 2,000,000 |

Retentions: \$100,000 Each & Every Occurrence – General Liability  
\$100,000 Each & Every Occurrence – Automobile Liability  
No Aggregate Applies

## Law Enforcement Liability

### **Limits (Occurrence)**

|                   |              |
|-------------------|--------------|
| Each wrongful act | \$ 2,000,000 |
| Total Limit       | \$ 2,000,000 |

### **Insured Retention:**

|  |            |
|--|------------|
| Defense Expenses included in retention | \$ 100,000 |
|--|------------|

## Public Officials Liability,

### **Limits:**

|                   |              |
|-------------------|--------------|
| Each wrongful act | \$ 2,000,000 |
| Total Limit       | \$ 2,000,000 |

### **Insured Retention:**

|  |            |
|--|------------|
| Deductible                                     | \$ 100,000 |
| Defense expenses are included in the retention |            |

## Employment Practices Liability

### **Limits:**

|                   |              |
|-------------------|--------------|
| Each wrongful act | \$ 2,000,000 |
| Total Limit       | \$ 2,000,000 |

### **Insured Retention:**

|  |            |
|--|------------|
| Defense expenses are included in the retention | \$ 100,000 |
|--|------------|

## Umbrella Excess Liability:

### **Coverage**

|                        |               |
|------------------------|---------------|
| Aggregate              | \$ 13,000,000 |
| Self Insured Retention | \$ 0          |

Excess over: General Liability, Auto Liability, Law Enforcement Liability, Public Officials Liability, Employment Practices Liability (\$2 million)



# Coverage Summary (cont.)

## Property

|                             |               |
|-----------------------------|---------------|
| Blanket Building & Contents | \$150,281,077 |
| EDP                         | \$ 3,337,271  |
| Deductible:                 | \$ 10,000     |

## Inland Marine

|                     |              |
|---------------------|--------------|
| Scheduled Equipment | \$ 6,609,459 |
| Deductible:         | \$ 5,000     |

## Auto Physical Damage

Limit: per Schedule of Autos on file with Company Valuation is ACV \$ 6,374,556

Physical Damage Deductibles for private passenger and light vehicles

|                              |           |
|------------------------------|-----------|
| ACV comprehensive deductible | \$ 10,000 |
| ACV collision deductible     | \$ 10,000 |

Physical Damage Deductibles on law enforcement vehicles and medium and heavy vehicles

|                              |           |
|------------------------------|-----------|
| ACV comprehensive deductible | \$ 10,000 |
| ACV collision deductible     | \$ 10,000 |

Physical Damage Deductibles on vehicles valued \$100,000 or greater

|                              |           |
|------------------------------|-----------|
| ACV comprehensive deductible | \$ 25,000 |
| ACV collision deductible     | \$ 25,000 |

Open Lot Coverage \$ 100,000

## Crime

|                                     |              |
|-------------------------------------|--------------|
| Employee Dishonesty                 | \$ 1,000,000 |
| Forgery and Alteration              | \$ 1,000,000 |
| Theft disappearance & destruction   | \$ 1,000,000 |
| Robbery/Safe Burglary               | \$ 1,000,000 |
| Computer Fraud                      | \$ 1,000,000 |
| Deductible – Employee Dishonesty    | \$ 10,000    |
| Deductible – all other listed above | \$ 5,000     |

## Excess Worker's Compensation

|  |  |
|--|--|
| A. Workers' Compensation                 | Statutory                              |
| B. Employer's Liability                  |  |
| Bodily Injury by Accident                | \$ 1,000,000                           |
| Bodily Injury by Disease (policy limit)  | \$ 1,000,000                           |
| Bodily Injury by Disease (each employee) | \$ 1,000,000                           |
| SIR/Loss Limitation                      | \$ 400,000 All Other, \$500,000 Police |

# Premium Summary and Program Costs

All coverage information detailed in the preceding pages is subject to the terms, conditions, exclusions and limitations contained in the policies. Please read your policies for a complete explanation.

## POLICY TERM

**Effective Date:** 1/1/2010  
**Expiration Date:** 1/1/2011

## PREMIUM SUMMARY: **Renewal Term**

| Coverage  | 07-08            | 08-09            | 10-11            |
|---|------------------|------------------|------------------|
| Property/DIC/Inland Marine/B&M                        | \$195,958        | \$183,003        | \$212,663        |
| Auto Physical Damage                                  | \$ 42,228        | \$ 43,242        | \$ 43,023        |
| Auto & Gen Liab/EBL, Law Enfor/Public Officials/ EPLI | \$388,500        | \$353,147        | \$339,808        |
| Excess Liability                                      | \$118,056        | \$101,977        | \$106,854        |
| Excess Worker's Comp                                  | \$ 62,874        | \$ 63,337        | \$ 67,370        |
| Crime   | \$ 6,525         | \$ 4,890         | \$ 4,890         |
| CCMSI   | \$ 36,060        | \$ 29,600        | \$ 25,000        |
| Horton Annual Service Fee                             | \$ 65,000        | \$ 65,000        | \$ 65,000        |
| <b>Total</b>  | <b>\$915,201</b> | <b>\$844,196</b> | <b>\$864,608</b> |

## Notes:

Previous term was written 10/1/08 – 1/1/2010 to coincide with change in fiscal year.  
 15 Month total premium was \$1,065,044

- 1) All premiums remain net of commission to the Horton Group.
- 2) Payrolls increased from \$27,098,932 to \$28,884,625
- 3) Population increased from 56,876 (08-09) to 59,339 (09-10)
- 3) Blanket Property limit increased from \$117,531,591 to 150,281,077, an increase of 28%. An increase of \$32,900,000 in total insured value is mainly attributed to the water reservoir and improvement of water fund assets .
- 4) Property Deductibles and Excess WC retentions remain the same as expiring.
- 5) Auto Physical Damage Deductible was increased on Private passenger vehicles from \$5,000 to \$10,000
- 6) Terrorism coverage is included in all the property and liability policies.
- 7) Premium for Claims third party administrator fee (CCMSI ) is their minimum premium subject to year-end claim counts.

# Loss Summary

Named Insured: **Village of Orland Park**

Effective Date: **1/1/10**

| Coverage               |           | # of<br>Open<br>Claims | Total #<br>of<br>Claims | Paid                | Reserve           | Expense           | Total Incurred<br>Losses | Loss Valuation<br>Date |
|------------------------|-----------|------------------------|-------------------------|---------------------|-------------------|-------------------|--------------------------|------------------------|
| Excess Work comp       | 2008/2009 | 20                     | 42                      | \$ 57,056           | \$ 213,292        | \$ -              | \$ 270,348               | 09/18/09               |
|                        | 2007/2008 | 2                      | 52                      | \$ 320,053          | \$ 2,604          | \$ -              | \$ 322,657               | 09/18/09               |
|                        | 2006/2007 | 2                      | 57                      | \$ 326,229          | \$ 984            | \$ -              | \$ 327,213               | 09/18/09               |
|                        | 2005/2006 | 1                      | 44                      | \$ 79,907           | \$ 11,781         | \$ -              | \$ 91,688                | 09/18/09               |
|                        | 2004/2005 | 2                      | 54                      | \$ 427,700          | \$ 129,436        | \$ -              | \$ 557,136               | 09/18/09               |
| <b>Total</b>           |           | <b>27</b>              | <b>249</b>              | <b>\$ 1,210,945</b> | <b>\$ 358,097</b> | <b>\$ -</b>       | <b>\$ 2,126,178</b>      |                        |
| Property/Inland Marine | 2008/2009 | 0                      | 1                       | \$ 2,350            | \$ -              | \$ -              | \$ 2,350                 | 10/06/09               |
|                        | 2007/2008 | 0                      | 2                       | \$ 55,133           | \$ -              | \$ -              | \$ 55,133                | 10/06/09               |
|                        | 2006/2007 | 0                      | 0                       | \$ -                | \$ -              | \$ -              | \$ -                     | 10/06/09               |
|                        | 2005/2006 | 0                      | 1                       | \$ 56,914           | \$ -              | \$ -              | \$ 56,914                | 10/06/09               |
|                        | 2004/2005 | 0                      | 0                       | \$ -                | \$ -              | \$ -              | \$ -                     | 10/06/09               |
| <b>Total</b>           |           | <b>0</b>               | <b>4</b>                | <b>\$ 114,397</b>   | <b>\$ -</b>       | <b>\$ -</b>       | <b>\$ 114,397</b>        |                        |
| Automobile - Liability | 2008/2009 | 3                      | 10                      | \$ 35,694           | \$ 20,230         | \$ 673            | \$ 56,597                | 09/18/09               |
|                        | 2007/2008 | 0                      | 6                       | \$ 6,819            | \$ -              | \$ 165            | \$ 6,984                 | 09/18/09               |
|                        | 2006/2007 | 0                      | 4                       | \$ 82,932           | \$ -              | \$ -              | \$ 82,932                | 08/31/09               |
|                        | 2005/2006 | 0                      | 0                       | \$ -                | \$ -              | \$ -              | \$ -                     | 08/31/09               |
|                        | 2004/2005 | 0                      | 1                       | \$ 518              | \$ -              | \$ -              | \$ 518                   | 08/31/09               |
| <b>Total</b>           |           | <b>3</b>               | <b>21</b>               | <b>\$ 125,963</b>   | <b>\$ 20,230</b>  | <b>\$ 838</b>     | <b>\$ 147,549</b>        |                        |
| Automobile - Phys Dam  | 2008/2009 | 0                      | 0                       | \$ -                | \$ -              | \$ -              | \$ -                     | 10/06/09               |
|                        | 2007/2008 | 0                      | 2                       | \$ 8,216            | \$ -              | \$ -              | \$ 8,216                 | 10/06/09               |
|                        | 2006/2007 | 0                      | 1                       | \$ 5,070            | \$ -              | \$ -              | \$ 5,070                 | 10/06/09               |
|                        | 2005/2006 | 0                      | 1                       | \$ 6,911            | \$ -              | \$ -              | \$ 6,911                 | 10/06/09               |
|                        | 2004/2005 | 0                      | 1                       | \$ 43               | \$ -              | \$ -              | \$ 43                    | 10/06/09               |
| <b>Total</b>           |           | <b>0</b>               | <b>5</b>                | <b>\$ 20,240</b>    | <b>\$ -</b>       | <b>\$ -</b>       | <b>\$ 20,283</b>         |                        |
| General Liability      | 2008/2009 | 1                      | 1                       | \$ -                | \$ 1,000          | \$ 27             | \$ 1,027                 | 09/18/09               |
|                        | 2007/2008 | 2                      | 16                      | \$ 2,404            | \$ 125,009        | \$ 63             | \$ 127,476               | 09/18/09               |
|                        | 2006/2007 | 0                      | 9                       | \$ 149,860          | \$ -              | \$ -              | \$ 149,860               | 08/31/08               |
|                        | 2005/2006 | 0                      | 17                      | \$ 7,171            | \$ -              | \$ -              | \$ 7,171                 | 08/31/08               |
|                        | 2004/2005 | 2                      | 17                      | \$ 12,820           | \$ 18,560         | \$ -              | \$ 31,380                | 08/31/09               |
| <b>Total</b>           |           | <b>5</b>               | <b>60</b>               | <b>\$ 172,255</b>   | <b>\$ 144,569</b> | <b>\$ 90</b>      | <b>\$ 348,294</b>        |                        |
| Professional Liability | 2008/2009 | 0                      | 3                       | \$ -                | \$ -              | \$ -              | \$ -                     | 09/18/09               |
|                        | 2007/2008 | 0                      | 2                       | \$ -                | \$ -              | \$ -              | \$ -                     | 09/18/09               |
|                        | 2006/2007 | 0                      | 1                       | \$ -                | \$ 15,000         | \$ 10,553         | \$ 25,553                | 08/31/08               |
|                        | 2005/2006 | 0                      | 6                       | \$ -                | \$ 90,000         | \$ 530,910        | \$ 620,910               | 08/31/08               |
|                        | 2004/2005 | 0                      | 3                       | \$ -                | \$ -              | \$ 26,775         | \$ 26,775                | 08/31/09               |
| <b>Total</b>           |           | <b>0</b>               | <b>15</b>               | <b>\$ -</b>         | <b>\$ -</b>       | <b>\$ 569,166</b> | <b>\$ 666,884</b>        |                        |

|               |           | # of<br>Open<br>Claims | Total #<br>of<br>Claims | Paid                | Reserve           | Expense*          | Total Incurred<br>Losses |
|---------------|-----------|------------------------|-------------------------|---------------------|-------------------|-------------------|--------------------------|
| Total by Year | 2008/2009 | 24                     | 57                      | \$ 95,100           | \$ 234,522        | \$ 700            | \$ 330,322               |
|               | 2007/2008 | 4                      | 80                      | \$ 392,625          | \$ 127,613        | \$ 228            | \$ 520,466               |
|               | 2006/2007 | 2                      | 72                      | \$ 564,091          | \$ 15,984         | \$ 10,553         | \$ 590,628               |
|               | 2005/2006 | 1                      | 69                      | \$ 150,903          | \$ 101,781        | \$ 530,910        | \$ 783,594               |
|               | 2004/2005 | 4                      | 81                      | \$ 492,113          | \$ 147,996        | \$ 26,775         | \$ 666,884               |
| <b>Total</b>  |           | <b>35</b>              | <b>354</b>              | <b>\$ 1,694,832</b> | <b>\$ 627,896</b> | <b>\$ 569,166</b> | <b>\$ 2,891,894</b>      |