

*Clerk's Contract and Agreement Cover Page*

Year: 2009

Legistar File ID#: 2008-0544

Multi Year:

Amount \$81,250.00

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Contract Type:

Professional Services

Contractor's Name:

Horton Group

Contractor's AKA:

Execution Date:

10/1/2008

Termination Date:

12/31/2009

Renewal Date:

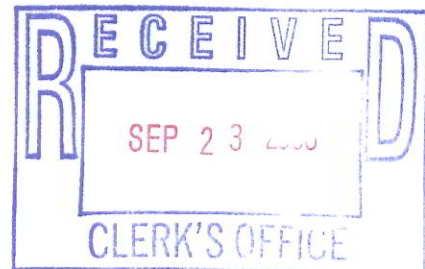
Department:

Finance

Originating Person:

Annmarie Mampe

Contract Description: FY2009 Liability Insurance Renewal



*Tuesday, September 23, 2008*

MAYOR  
Daniel J. McLaughlin

VILLAGE CLERK  
David P. Maher

14700 S. Ravinia Ave.  
Orland Park, IL 60462  
(708) 403-6100  
September 23, 2008



VILLAGE HALL

TRUSTEES  
Bernard A. Murphy  
Kathleen M. Fenton  
Brad S. O'Halloran  
James V. Dodge  
Edward G. Schussler III  
Patricia Gira

Mr. Michael Gleason  
The Horton Group  
10320 Orland Parkway  
Orland Park, Illinois 60467

**RE: 2008-2009 Liability Insurance Renewal**

Dear Mike:

Enclosed is the signed Service Retainer Agreement with Horton Group, Inc. for commercial property and casualty services in the amount of Eighty-One Thousand Two Hundred Fifty and No/100 (\$81,250.00) Dollars. This Agreement is effective for the period October 1, 2008 thru December 31, 2009.

Your contact regarding this agreement is Annmarie Mampe at (708) 403-6199.

Sincerely,

Denise Domalewski  
Contract Administrator

cc: Annmarie Mampe

## **Service Retainer Agreement**

This Agreement is made this 1<sup>st</sup> day of October, 2008, 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 October 1, 2008 and shall remain in effect for a period of 15 months thereafter ending on, December 31, 2009.
2. Horton shall be compensated \$81,250 by Village of Orland Park for Horton performing any or all of the following core services (annual fee \$65,000).

### **HORTON RISK MANAGEMENT SERVICES (MICHAEL GLEASON, SENIOR VICE PRESIDENT)**

- Obtain five years of detailed loss information and status reports from prior insurance companies for renewal marketing purposes.
- Brokerage services include marketing, consultation and placement of all property, casualty, professional, excess liability & bonds for the 10/1/08 to 12/31/09 policy period.
- Review all renewal policies for accuracy and make any necessary corrections. Deliver renewal policies and automobile ID cards.
- Process billings and make payments to respective insurance companies on a timely basis.

- Set-up monthly hard copy loss information and on line claim services, where possible.
- Issued certificates of insurance, when required, within 24 hours.
- Answer any questions or coordinate insurance services upon request during the policy period.
- Arrange a pre-renewal meeting to discuss the marketplace and assist with the budget process. Determine any problems that may exist and available options.
- Place Orland Fest's Coverage for general and liquor liability.

**HORTON CLAIMS SERVICES  
(CARLA BIRSA, HORTON SENIOR CLAIMS SUPERVISOR)**

- Review and summarize loss runs from current carriers.
- Set up bi-annual claim review meetings with CCMSI at the Village, regarding open Worker's Compensation, Automobile & General Liability claims.
- Hold discussions with CCMSI to forward claim acknowledgements to Horton for review and follow up.
- Monitor CCMSI's online Casualty claim service at Village.
- Perform analysis of losses & services to assist client in determining whether TPA quotes should be obtained.

**HORTON'S NETWORK SAFETY SERVICES  
(DAVE VALENTINE, SENIOR SAFETY CONSULTANT)**

- Continue a comprehensive assessment of the Village's Safety and Risk Management Program. Assessment includes field work and interviews, report preparation, ergonomics study and make a presentation to Department heads upon completion.
- Assist with any on-going or required safety training and education. Invite to all safety and educational seminars.

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(JOHN NASO, MANAGER)**

- Place Public Officials Bond with Fidelity and Deposit Company of Maryland and assist with any other required bonds.

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(BETH BAUER/PARALEGAL & KEVIN PALMER/IN-HOUSE ATTORNEY)**

- Continue to work with the Village on Sample Certificates for each of the following: Contractors performing services, Contractors applying for Village license, Suppliers, Charitable Organizations, Vendors, Village Property Rentals and Tenants.
- Assist Village Administrators with certificates & contract reviews, hold-harmless agreements, etc.

3. The Service Retainer is in lieu of standard 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.~~  
*the fifteen-<sup>th</sup>*

Horton may receive additional compensation from the insurance companies in the form of profit sharing. These forms of compensation are generally based on risk performance of business placed with the insurer.

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.

Full Legal Name of Company  
By: [Signature]  
Name: PAUL G. GRIMES  
Title: VILLAGE MANAGER  
Date: 9/18/15

The Horton Group, Inc.  
By: [Signature]  
Name: MICHAEL K. GLEASON  
Title: SENIOR VP - PARTNER  
Date: AUGUST 25, 2008

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: 2008-0544

File ID: 2008-0544

Type: MOTION

Status: IN BOARD OF TRUSTEES

Version: 1

Reference:

Controlling Body: Board of Trustees

Department: Finance Department

Cost:

File Created Date : 08/21/2008

Agenda Entry: FY2009 Liability Insurance Renewal - Approval

Final Action:

Title: FY2009 Liability Insurance Renewal - Approval

To Board 9/2/08

### Notes:

Code Sections:

Agenda Date: 09/02/2008

Indexes:

Agenda Number:

Sponsors:

Res/Ord Date:

Attachments: 2008 Insurance Renewal.pdf

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 Department	08/21/2008	INTRODUCED TO COMMITTEE	Finance Committee			
	Action Text: INTRODUCED TO COMMITTEE to the Finance Committee						
0	Finance Committee	08/25/2008					
1	Finance Department	08/26/2008	INTRODUCED TO BOARD	Board of Trustees			
	Action Text: INTRODUCED TO BOARD to the Board of Trustees						
1	Board of Trustees	09/02/2008					

### Text of Legislative File 2008-0544

#### ..Title

FY2009 Liability Insurance Renewal - Approval

#### History

The Horton Group has provided the Village with its renewal premium amounts for Fiscal Year 2009 for all property and liability insurance policies. These premium amounts cover the 15 month period of October 1, 2008 thru December 31, 2009. A summary renewal packet is attached to this agenda item

for reference purposes.

Overall, the Village's FY2009 liability and property premiums decreased approximately 7% as compared to FY2008 premiums. The deductible/retention amounts have remained constant, with the exception of auto liability (decreased from \$200,000 to \$100,000) and Crime (increased from \$5,000 to \$10,000). Premium decreases were obtained on a number of the larger policies to offset the Village's growth in payroll and property and inland marine values.

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 August 25, 2008, this item was reviewed and approved by the Finance Committee and referred to the Board for approval.

**Financial Impact**

The attached documents identify the overall budget impact. The total amount that is included in the FY2009 budget for property and liability insurance premiums and the Horton Group's annual service fee amounts to \$1,262,163.

**Recommended Action/Motion**

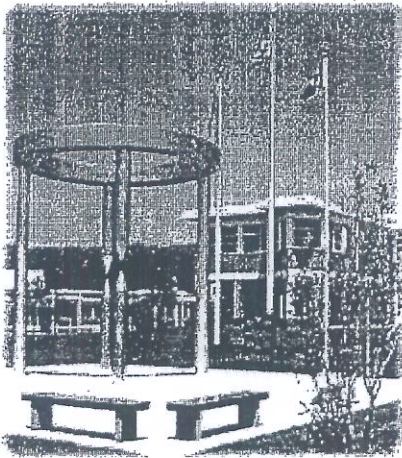
I move to accept the recommendations from the Horton Group for property and liability insurance coverage effective October 1, 2008;

And

To retain the Horton Group's services for FY2009.



# Village of Orland Park



Effective:  
10/01/08 to 10/01/09

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
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## 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
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## 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	\$117,531,591
EDP	\$ 3,337,271
Deductible:	\$ 10,000

### Inland Marine

Scheduled Equipment	\$ 4,951,253
Deductible:	\$ 5,000

### Auto Physical Damage

Limit: per Schedule of Autos on file with Company Valuation is ACV \$ 6,359,172

Physical Damage Deductibles for private passenger and light vehicles

ACV comprehensive deductible	\$ 5,000
ACV collision deductible	\$ 5,000

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:** 10/01/08  
**Expiration Date:** 10/01/09

## PREMIUM SUMMARY: Renewal Term

Coverage	07-08	08-09
Property/DIC/Inland Marine/B&M	\$195,958	\$183,183
Auto Physical Damage	\$ 42,228	\$ 43,242
Auto & Gen Liab/EBL, Law Enfor/Public Officials/ EPLI	\$388,500	\$353,147
Excess Liability	\$118,056	\$101,977
Excess Worker's Comp	\$ 62,874	\$ 63,337
Crime	\$ 6,525	\$ 4,890
CCMSI	\$ 36,060	\$ 36,060
Horton Annual Service Fee	\$ 65,000	\$ 65,000
<b>Total</b>	<b>\$915,201</b>	<b>\$850,836</b>

## Notes:

- 1) Premium savings of \$64,365 or approximately 7% overall. All premiums remain net of commission to the Horton Group.
- 2) Payrolls increased from \$24,450,926 to \$27,098,932.
- 3) Building limits were increased by an automatic inflation factor of 4% with the exception of the newly submitted Police Department values and the Flood House Property, which were quoted as submitted per the Statement of Values.
- 5) Property Deductibles and Excess WC retentions remain the same as expiring.
- 6) Auto Liability Retention was reduced from \$200,000 to \$100,000
- 7) Terrorism coverage is included in all the property and liability policies.
- 8) Deductible was increased on Crime Coverage – Form O-Public Employee Dishonesty w/Faithful Performance from \$5,000 - \$10,000. This is due to revised underwriting guidelines in relation to accounts with faithful performance of duty coverage.
- 9) Options offered for additional limits on Excess liability:
  - \$5M Excess over \$13,000,000 - \$25,000 additional premium
  - \$10M Excess over \$13,000,000 - \$40,000 additional premium
- 10) Premium for Claims third party administrator fee (CCMSI ) shown are as expiring as renewal premiums not yet available.

# Insurance Summary

<u>Insurance</u>	<u>Carrier</u>	<u>12 Mo Premium</u>	<u>15 Mo Premium</u>
Property/Boiler & Machinery	Chubb	\$ 175,756	\$ 220,133
Inland Marine	Chubb	\$ 7,427	\$ 9,299
Auto Physical Damage	Chubb	\$ 43,242	\$ 54,052
Crime	Great American	\$ 4,890	\$ 6,122
Excess Workers' Comp	Safety National	\$ 63,337	\$ 79,298
General Liability/EBL & Auto Liab. Public Officials/EPLI/Law Enforcement	Lexington	\$ 353,147	\$ 442,140
Excess Liability (\$13 million)	Illinois National	\$ 101,977	\$ 127,675
Third Party Administrator for All Casualty Coverages	CCMSI	\$36,060 estimated	\$ 45,075 estimated
Horton Annual Service Fee		\$ 65,000	\$ 81,250
<b>PREMIUM</b>			
Total Premium .....		\$ 850,836	\$ 1,065,044

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Full Legal Name of Company  
By: [Signature]  
Name: PAUL G. GRIMES  
Title: VILLAGE MANAGER  
Date: 9/15/08

The Horton Group, Inc  
By: [Signature]  
Name: MICHAEL K. GLEASON  
Title: SENIOR VP - PARTNER  
Date: AUGUST 25, 2008

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