Clerk's Contract and Agreement Cover Page

Year:	2010	**Legistar File ID#:**	2009-0486
Multi Year:	☐	**Amount**	$65,000.00

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

RECEIVED
NOV 23 2009
CLERK'S OFFICE

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 31st 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	The Horton Group, Inc.
By: [signature]	By: Michael K. Gleason
Name: PAUL G. GRIMES	Name: MICHAEL K. GLEASON
Title: VILLAGE MANAGER	Title: SENIOR VP / PARTNER
Date: 11/18/09	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 Contact:	finance@orland-park.il.us	**Effective Date:**	

History of Legislative File

Version:	Acting Body:	Date:	Action:	Sent To:	Due Date:	Return Date:	Result:
0	Finance Committee	10/12/2009	NO ACTION				

Action Text: This item was for discussion only, NO ACTION was taken.

Notes: *The Horton Group has provided the Village with its renewal premium amounts for Fiscal Year 2010 for all property and liability insurance policies.*

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 was present at the Finance Committee meeting to explain the renewal process and answer any questions.

Version:	Acting Body:	Date:	Action:	Sent To:	Due Date:	Return Date:	Result:
0	Finance Department	10/12/2009	INTRODUCED TO COMMITTEE	Finance Committee			

Action Text: INTRODUCED TO COMMITTEE to the Finance Committee

Version:	Acting Body:	Date:	Action:	Sent To:	Due Date:	Return Date:	Result:
1	Finance Department	10/13/2009	INTRODUCED TO BOARD	Board of Trustees			

Action Text: INTRODUCED TO BOARD to the Board of Trustees

Version:	Acting Body:	Date:	Action:	Sent To:	Due Date:	Return Date:	Result:
1	Board of Trustees	10/19/2009	APPROVED				Pass

Action Text: 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:

Notes: *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* *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

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
www.thehortongroup.com

Coverage Summary

General Liability and Auto Liability:

	Limit
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
Total	**$915,201**	**$844,196**	**$864,608**

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 Open Claims	Total # of Claims		Paid		Reserve		Expense		Total Incurred Losses	Loss Valuation 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
Total		27	249	$	1,210,945	$	358,097	$	-	$	2,126,178	
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
Total		0	4	$	114,397	$	-	$	-	$	114,397	
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
Total		3	21	$	125,963	$	20,230	$	838	$	147,549	
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
Total		0	5	$	20,240	$	-	$	-	$	20,283	
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
Total		5	60	$	172,255	$	144,569	$	90	$	348,294	
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
Total		0	15									

		# of Open Claims	Total # of Claims		Paid		Reserve		Expense*		Total Incurred 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
Total		35	354	$	1,694,832	$	627,896	$	569,166	$	2,891,894