



Legislation Text

File #: 2021-0810, **Version:** 0

Title

Liability Insurance Renewal FY2022

History

The Horton Group completed a market analysis on behalf of the Village of Orland Park and provided the final recommendations for the January 1, 2022, renewal of Liability insurance. The renewal premium for the 2022-2023 term as recommended will result in an increase of \$104,244 over last year driven by the current difficult market conditions.

Public entity risks that carry Cook County exposures face a more restrictive insurance market than those based in other counties. For example, several public entity insurers have pulled out of Cook County altogether. Additionally, most public entity carriers are increasing rates and restricting coverage forms for specific lines of coverage including:

- Property;
- Law Enforcement Legal Liability;
- Cyber;
- Sexual Misconduct / Abuse; and
- Excess Liability.

Because of the above factors, the Horton Group is recommending moving coverages to the Illinois Counties Risk Management Trust (ICRMT) and the Illinois Public Risk Fund (IPRF) as detailed below.

Illinois Counties Risk Management Trust (ICRMT)

Since 1983, the Illinois Counties Risk Management Trust (ICRMT) has provided insurance and risk management services to Illinois public entities. ICRMT offers a full line of coverage options, including property and liability designed to meet the needs of First Dollar or Self-Insured clients. Since its inception, ICRMT has grown to over 400 public entities.

With a hard market comes increased premiums and policy forms providing less coverage, lower limits and stricter terms. As a result, several Horton clients have opted to join ICRMT over the past several months.

The ICRMT premium is over \$40,000 less than the next best option. The casualty deductible is \$50,000 less than the Village's current deductible of \$150,000. With ICRMT, there is no additional Third Party Adjuster (TPA) expense as it is included as part of the coverage (saving the Village \$25,000 annually), and the coverage is far more broad (i.e. excess is "over" each casualty line of coverage).

Illinois Public Risk Fund (IPRF)

In 1985, the Illinois Public Risk Fund (IPRF) was established to provide a cost-effective alternative to escalating workers' compensation premiums. IPRF has grown to be one of the most successful Public Entity workers' compensation pools in the country. The program offers guaranteed cost programs, as well as large self-insured retentions. The pool uses CCMSI as its claim TPA, offering loss control and safety services and a popular safety grant program designed to help ease the concern of safety-related expenses.

The IPRF program has the best combination of premium and deductible. The per claim deductible is \$150,000 less for employees and \$250,000 less for police. IPRF also offers a \$12,000 safety grant and will pay 25% of the annual Lexipol subscription.

Mr. Tony Evans from the Horton Group will be present at the Board of Trustees meeting on Monday, November 1, 2021 to explain the renewal process, results, and to answer any questions.

Financial Impact

The FY2022 budget will include the amount necessary to fully fund the liability insurance program.

Recommended Action/Motion

I move to approve liability insurance renewal agreements with the recommended carriers/vendors and associated expenses effective January 1, 2022;

AND

Authorize execution of said agreements by the Village Manager, subject to Village attorney review.