

**ROCHELLE CITY COUNCIL
AGENDA ITEM MEMO
REGULAR MEETING**

SUBJECT: Resolution Approving Insurance Coverage and Risk Management Services through the Illinois Municipal League Risk Management Association (IMLRMA)

Staff Contact: Britt Zick

Summary: In preparation for the City's risk insurance renewal, we collaborated with the Illinois Municipal League Risk Management Association's team to provide the City with a renewal option that provides the most comprehensive coverage for our complex exposures while securing the best pricing.

Considering this, we are recommending the City obtain their 2026-2027 risk insurance coverage and risk management services through IMLRMA. This proposal is based on IMLRMA's ability to provide a risk insurance package that encompasses coverage required for the City's niche operations while furnishing us with renewal pricing resulting in an increase of just 0.48% when noting the 1% savings (\$8,894) we will receive by paying the premium in full by November 13, 2026.

The risk insurance program we are recommending is RMA's MIN/MAX Risk Sharing Pricing Option, which allows us the opportunity to share-in the financial results of our claims experience. Given this, the City will set aside a minimum of \$320,547 in a loss reserve fund to prepare for claims that could exceed the minimum loss fund.

In addition, Marsh McLennan Agency (MMA) has been working with the City to furnish us with competitive quotes for both cyber and internet service liability. Internet service liability is excluded by IMLRMA's package, whereas IMLRMA's cyber coverage will be used in excess of our chosen cyber carrier's limits, providing for more robust coverage of our critical grid infrastructure. These proposals are expected by October 30, 2026.

A spreadsheet detailing the renewal and expiring premiums as well as the 2027 Minimum/Maximum Premium Invoice are attached for review.

Funding Sources:

Source:	Budgeted Amount:	Proposed Expenditure:
Insurance and Enterprise Funds	2025-2026 Risk Insurance Package Premium: \$877,347	2026-2027 Risk Insurance Premium: \$881,517

Strategic Plan Goal Application: To move the City toward a self-insured retention plan to assist in controlling cost, increasing cash flow, and for more control over claims management.

Recommendation: Accept the Resolution Approving Insurance Coverage and Risk Management Services through the Illinois Municipal League Risk Management Association