

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

SUBJECT: Resolution Approving the 2025-2026 Risk Insurance Renewal Package

Staff Contact:
Britt Zick

Summary:

In preparation for the City's risk insurance renewal, we collaborated with our broker, Marsh McLennan Agency (MMA), to provide the City with renewal options that align with procuring the most comprehensive coverage for our complex exposures while securing the best pricing.

Considering this, we are recommending that the City obtain coverage for our 2025-2026 risk insurance and workers' compensation programs through the Illinois Municipal League's Risk Management Association (IMLRMA). This proposal is based on RMA's ability to provide a risk insurance package that encompasses the coverage required for the City's niche operations while furnishing us with renewal pricing resulting in a 14% decrease in premium.

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 the City's claims history in the previous 5 years, this option would have presented an overall savings of \$273,684 - funds that could be utilized for other municipal purposes. Given this, the City will set aside at least \$316,200 in a loss reserve fund to prepare for claims that exceed the minimum loss fund.

In addition, RMA's cyber insurance will be in excess of our current carrier's limits, providing for more robust cyber coverage. They are also including our power generation assets – coverage that has proven to be extremely challenging in today's market.

A spreadsheet detailing the renewal and expiring premiums is attached for review.

Funding Sources:

Source:	Budgeted Amount:	Proposed Expenditure:
Insurance and Enterprise Funds	2024-2025 Risk Insurance Premium: \$1,177,265	2025-2026 Risk Insurance Premium \$1,011,323

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 the 2025-2026 Risk Insurance Renewal Package