

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

SUBJECT: Resolution Approving the 2023-2024 Risk Insurance Renewal Package

Staff Contact:

Brittney Zick

Summary:

The risk insurance policy with Illinois Counties Risk Management Trust (ICRMT), managed by Marsh McLennan Agency, is scheduled to renew on December 1, 2023. The package includes general liability, law enforcement liability, auto, public official liability, property, inland marine, equipment breakdown, sales tax interruption, crime, and excess liability coverage. The renewal quote provided was \$443,206. Marsh approached both Traveler's and Trident Insurance on the City's behalf and both carriers declined to quote the risk insurance package.

Worker's compensation coverage with the Illinois Public Risk Fund (IPRF) is set to renew on January 1, 2024, and a renewal quote has been provided in the amount of \$278,885. The coverage includes a 2024 Safety Grant awarded to the City in the amount of \$13,323. These funds can be utilized to purchase safety equipment or to provide safety training programs to employees.

Cyber insurance coverage with Tokio Marine Houston Casualty Company (TMHCC) is scheduled to renew on December 31, 2023, and a renewal quote has been provided in the amount of \$39,469. This figure represents a slight decrease in premium from the prior year's renewal, however, boasts a more comprehensive plan with higher limits to further protect the City in the event of a cyber incident.

Starr Tech has provided a quote for the City's electrical operations coverage. This quote includes property and equipment breakdown insurance and encompasses all electric generation and distribution operations. The highest limit of coverage available is \$60,270,000 and includes a \$250,000 deductible. This policy would begin on December 1, 2023, and the premium quoted is \$281,695.

Marsh McLennan Agency has agreed to reduce their brokerage service fee to \$50,000 in light of increased pricing to the City from insurance policy changes out of the City's control.

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

Funding Sources:

Source:	Budgeted Amount:	Proposed Expenditure:
Insurance and Enterprise Funds	2022-2023 Risk Insurance Premium: \$758,426	2023-2024 Risk Insurance Premium <i>including</i> the Starr Tech policy for electric operations: \$1,093,255

Strategic Plan Goal Application:

Operational Expense

Recommendation:

Accept the Resolution Approving the 2023-2024 Risk Insurance Renewal Package