



**COUNTY OF KENDALL, ILLINOIS  
HUMAN RESOURCES & INSURANCE**  
Kendall County Office Building, 111 W. Fox Street  
County Board Rm 209 & 210, Yorkville, IL 60560  
**Tuesday, October 17, 2023 at 5:30 p.m.**  
**MEETING AGENDA**

1. **Call to Order**
2. **Roll Call:** Ruben Rodriguez (Chairman), Jason Peterson (Vice Chairman), Elizabeth Flowers, Zach Bachmann, and Matt Kellogg
3. **\*MOTION (VV) Approval of Agenda**
4. **\*MOTION (VV) Approval of Minutes – None**
5. **Committee Reports and Updates**
  - A. **Alliant Insurance Services, Inc. – Kendall County Insurance Renewal Presentation**  
**\*AFTER PRESENTATION - MOTION (VV) to Forward Insurance Renewal Package to CB 11/7/2023 Meeting:**
6. **New Committee Business - None**
7. **Old Committee Business –**
  - A. **\* MOTION (VV) (Forward to CB 11/7/2023 Meeting): New Section 3.9 - Kendall County Employee of the Year Award Program**
8. **Chairman’s Report**
9. **Public Comment**
10. **Executive Session**
11. **Items for Committee of the Whole**
12. **Action Items for County Board**
  - A. **Items for Consent Agenda**
  - B. **Items under Committee Business**
13. **Adjournment**

*If special accommodations or arrangements are needed to attend this County meeting, please contact the Administration Office at 630-553-4171, a minimum of 24-hours prior to the meeting time.*



## Kendall County

# 2023-2024 Package Insurance Proposal

Presented on October 17 , 2023

Dane Mall, MPA, ARM, AIC, CEAS  
Lead Public Entity Risk Advisor  
Account Executive

Samantha Shock-Ford, CIRS, AINS  
Account Manager- Lead

Alliant Insurance Services, Inc.  
353 North Clark Street  
Chicago, IL 60654  
O 312 595 6200  
F 312 595 7163

CA License No. 0C36861

[www.alliant.com](http://www.alliant.com)  
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## Company Profile

Alliant provides risk management, insurance, and consulting services to thousands of clients nationwide, delivering tailored products and services engineered to mitigate risk, improve performance, and promote long-term growth. Our core business includes property and casualty insurance services, middle-market brokerage, employee benefits, and underwriting, each staffed with dedicated industry specialists who understand the unique market dynamics facing their clients.

In addition to our 90-plus year legacy of service and results, Alliant is one of the industry's fastest-growing organizations. As America's 10th largest insurance brokerage, we have an active presence in every U.S. market and an extensive arsenal of best-in-class resources and intelligence that moves our clients forward in today's competitive market climate.

Alliant has a broad reach that covers a wide range of industries, including:

- Agriculture
- Aviation
- Construction
- Energy and Marine
- Environmental
- Healthcare
- Financial Institutions
- Law
- Public Entity
- Real Estate
- Tribal Nations
- And many more

## Your Service Team

**Daniel Mackey**  
Senior Vice President

Daniel.Mackey@alliant.com

Phone: 312 595 7905

**Michael J. Mackey**  
Executive Vice President

Michael.Mackey@alliant.com

Phone: 312 595 7900

**Dane Mall**  
Account Executive & Loss Control  
Consultant

Dane.Mall@alliant.com

Phone: 312 837 4415

**Samantha Shock-Ford, CISR, AINS**  
Account Manager Lead

Samantha.Shock@alliant.com

Phone: 312 837 4403

**Larry Rosen**  
Claims Advocate- Lead

Larry.Rosen@alliant.com

Phone: 312 595 8111

## Executive Summary

The Public Entity Professionals of Alliant Insurance Services, Inc. are thankful for the opportunity to present the December 1<sup>st</sup>, 2023 to 2024 property and casualty insurance renewal proposal to Kendall County. On a national level, and locally, public entities across the U.S. have been challenged with “hard” insurance marketplace conditions—defined as steep reoccurring rate increases and limited capacity—going back to 2019.

### State of the Insurance Marketplace

The lingering impact of the pandemic, cyber threats, law enforcement scrutiny, economic conditions, inflation, and continued severe global weather-related property losses are having a prolonged influence on the insurance marketplace for public entities. Social inflation and adverse liability claims experience for the public sector continue to limit the number of carriers available for public entity liability risks, and is ultimately impacting the availability of coverage and hindering competitive pricing options. The risk appetite of insurance carriers for public entity liability risks has diminished considerably over the last few years and there are no remarkable signs that the market is improving.

Primary factors driving market conditions include:

- **Excess Liability-** There are 63% fewer public entity insurance markets than 10 years ago leading to higher rates and limited capacity. Out-of-control jury verdicts and fewer insurance carriers are driving cost and availability of sufficient liability limits.
- **Law Enforcement Liability-** Law enforcement agencies are having difficulty finding qualified police recruits, and are pivoting to adjust to comprehensive police reforms, such as: cash bail, body worn cameras and additional training requirements. Public entity underwriters are alerted to negative police interactions on social media and are aware of the increased claims frequency and severity for law enforcement liability claims, such as: reverse conviction, excessive use of force, police pursuit and inmate suicides.
- **General Liability/Public Officials/Employment-Related Liability/Sexual Molestation-** Litigation funding, plaintiff-friendly legal decisions, large jury awards, employment regulatory scrutiny, active assailant and sexual abuse claims are driving premiums higher for public entities.
- **Cyber Liability-** While public entities are still a target for threat actors, significant rate increases are subsiding due to more cyber market entrants and better entity cyber scrutiny postures. Security measures like multi-factor authentication (MFA) and managed endpoint detection and response (EDR) are becoming pre-requisites for acceptable cyber coverage.
- **Property-** Catastrophic weather events continue to impact industry profitability. Inflation continues to compound supply chain challenges. The higher cost of

- **Property-** Catastrophic weather events continue to impact industry profitability. Inflation continues to compound supply chain challenges. The higher cost of construction and material costs continue to drive higher property valuations which impact claims costs. “Insurance to Value” is a concern for underwriters as there are potential gaps between insured property values and replacement cost valuation compounded by overall increases in reconstruction costs.
- **Workers’ Compensation** Premiums remain stable and are largely loss dependent and payroll exposure based.

### Insurance Renewal

The County’s incumbent insurance carrier is the Illinois Counties Risk Management Trust (ICRMT). As a whole, ICRMT continues to be well-positioned to weather this challenging insurance environment given their understanding of the Illinois public entity landscape (insuring over 50% of Illinois counties). The County’s pre-renewal premium indication projection was communicated by ICRMT to be less than a 15% increase from the expiring premium. While the County has historically experienced lower premium increases, ICRMT noted higher than usual liability claim experience as the primary influence. We communicated the projection to County staff on August 23.

Despite the mentioned insurance market conditions and the noted premium projection increase, given ICRMT’s long-term fairness and consistency of premium pricing and services we were instructed that no additional insurance market alternatives were necessary this year. That stated, Alliant worked closely with County staff and ICRMT to properly communicate the County’s underwriting information and exposures resulting in a favorable renewal for the County.

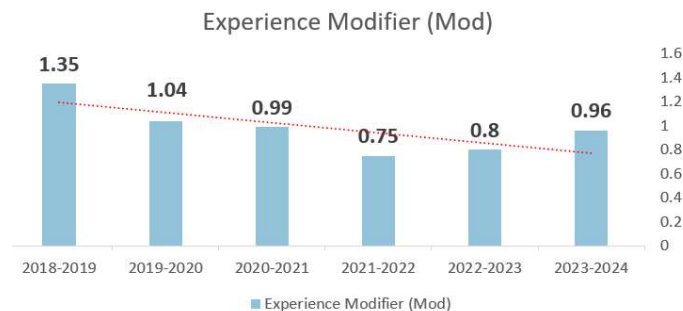
Key factors impacted the insurance renewal for 12/1/2023 to 12/1/2024:

- **Increase Excess Liability Limits:** Effective 9/29/2023, the County purchased \$5 million excess liability limit over its existing \$11 million limit for a total limit of \$16 million.
- **Jail Bed Reduction:** In 2022, the County reduced the number of jail beds by approximately 50%. This exposure reduction will continue to reduce the County’s overall liability premium spend.
- **Liability Losses:** Recent liability claim development is negatively impacting the 12/1/2023 to 12/1/2024 renewal.
- **Workers’ Compensation Losses:** Employee injury claim development is negatively impacting the 12/1/2023 to 12/1/2024 renewal.

Total premium pricing for the 12/1/2023 to 12/1/2024 is \$841,325 with ICRMT including property, casualty and workers’ compensation coverage. The renewal premium accounts for a 24.7% increase over the expiring policy period. A considerable driver of the increased cost is the County’s mid-term renewal decision to purchase additional excess liability limits (\$5M excess over \$11M)

that it had not ever purchased before. Additionally, overall loss experience for the County has increased over past years. Exposure-driven factors that influence the renewal, most notably, are the following.

- Property Values- flat contents values and a 9% increase in building values.
- Workers' Compensation- Payroll Increase of 4% (\$962,661)
- Workers' Compensation- The County's experience modification rate has increased slightly from .80 to .96 (see below)



- Auto Liability- The County's fleet increased from 154 to 160 vehicles.

### Workers' Compensation

The 2023-2024 policy term provides insurance terms that are identical to the expiring program outlined in this proposal. Therefore, the self-insured retention (SIR) remains at \$250,000 for the workers' compensation coverage. The SIR of \$250,000 is the "out of pocket" amount that the County pays on each loss/claim and expenses. If or when a claim's paid amount exceeds a \$250,000, the carrier pays the amount above the retention. ICRMT's Third Party Administrator Division, IPMG, manages and administers the claims and provides loss control services.

The County's estimated payroll is \$24,268,939 for 2023-2024 (4% increase from 12/1/22 to 12/1/2023). The annual workers' compensation premium is \$128,363, representing a 5.3% increase (\$6,529) and is subject to audit upon completion of the policy term. The increase is the result of a higher payroll and experience modification rate due to loss experience.

### Liability

This coverage category includes Automobile Liability, General and Products Liability, Employee Benefits Liability, Employment Practices Liability, Law Enforcement Liability, Public Officials Liability and Excess Liability.

The County maintains varying deductible levels for liability coverage as is illustrated in coverage tower illustration of the proposal. No alternative deductible

options were not quoted this year as they were quoted in 2021-2022 and were not found to be compelling to make a change from current retention levels.

For the 2023-2024 term, the annual combined property and liability premium is \$712,962. This amount represents a 29% increase (\$160,226) from the 2022-2023 policy period. Of note, the County's purchase of additional excess liability limits (\$5M excess of \$11M) represents 31% of the increase. The remaining increase is a result of recent liability claims activity and reported expenditures increasing 12%.

### **Property including Inland Marine, Equipment Breakdown and Business Income and Crime**

This coverage category includes Property (Buildings/Contents), Inland Marine, Equipment Breakdown and Business Income and Crime. The total building and contents insured values utilized for this renewal are \$139,346,998 which is a 9% increase. ICRMT has consistently applied nine (9%) percent property value increases due to the need to stay current with "insurance to value" valuations and the challenging property marketplace. The deductible remains at \$10,000.

### **Cyber Liability Coverage**

The County's expiring Cyber Liability insurance coverage is placed with Coalition Insurance with a \$2,000,000 limit of liability and a \$50,000 deductible. Due to the significant cyber liability increases over the past several years, Alliant conducted a comprehensive solicitation of the cyber market for the 2023-2024 renewal policy term. Fortunately, the past trends of steep premium increases have subsided with the introduction of more cyber liability insurance carriers in the marketplace and enhanced cyber security controls from insureds. We were successful in obtaining very competitive options. As a result, we are recommending that the County move cyber liability coverage to CFC (from Coalition), \$25,350 for premium savings of \$17,008. Also provided is a cyber liability alternative \$3,000,000 limit option for the County's consideration.

Enclosed are highlights of our renewal proposal. These include:

- Tower illustration for recommend renewal program
- Premium summary and comparison
- ICRMT renewal proposal/quotation



## Conclusion

As always, the County's newly formed Human Resources and Risk Management Department has been extremely helpful in organizing and providing underwriting data to enable a timely renewal proposal. Leslie Johnson and Tricia Springman are a pleasure to work with throughout the year and are elevating the function of risk management to all of the County departments.

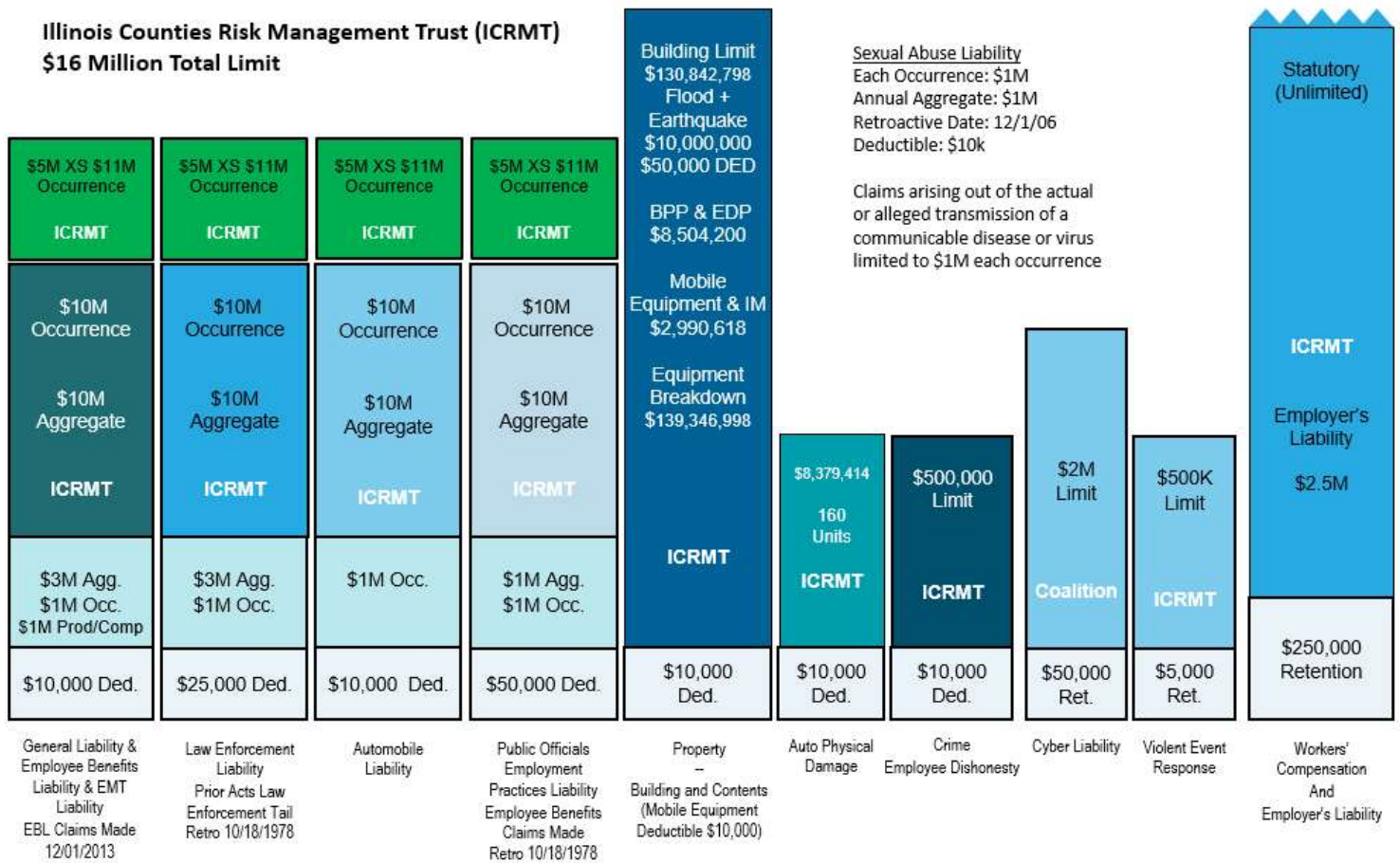
The County has benefited from its long-term carrier relationship with the Illinois Counties Risk Management Trust (ICRMT) as brokered by Alliant Insurance Services for many years. ICRMT provides property and casualty insurance coverage to over 50% of the counties and over 470 public entities in Illinois. ICRMT has maintained an annual member retention rate of 97% due to its financial stability, underwriting expertise, claims experience, comprehensive risk management services and boots-on-the-ground service approach, as administered by Illinois Program Managers Group (IPMG). The County's continued insurance carrier partnership with ICRMT continues to be advantageous over the short and long-term with respect to coverage, services and pricing when most public entities, in Illinois and across the country, are experiencing significant increases and significant limitations of coverage.

Thank you so much for the opportunity to present the renewal results. We at Alliant Insurance Services, Inc. are very pleased with the renewal results in light of the extremely challenging excess liability and property market conditions. We are very excited for the coming year to service Kendall County's property & casualty insurance needs, and look forward to our annual stewardship meeting to share the 2023 year-in-review.

We welcome discussion regarding this proposal and thank you for the privilege of partnering with Kendall County.

## Coverage Tower

### Illinois Counties Risk Management Trust (ICRMT) \$16 Million Total Limit



All coverages and exclusions are not included on this page. Please refer to policy for all applicable terms and conditions. Additional limits and/or changes may be available after review and acceptance by insurer. Chart is not to scale.

## Premium Summary

	Expiring Annual Premium 12/1/2022 to 12/1/2023	Renewal Premium 12/1/2023 to 12/1/2024	Incr/Dec
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### Premium - Annualized

<b>Property &amp; Liability Package Premium</b>	<b>\$ 552,736</b>	<b>\$ 712,962</b>	<b>28.988%</b>
<b>Workers Comp Premium</b>	<b>\$ 121,834</b>	<b>\$ 128,363</b>	<b>5.36%</b>
<b>ICRMT- Sub-Total Premium</b>	<b>\$ 674,570</b>	<b>\$ 841,325</b>	<b>24.72%</b>
<b>Cyber Liability</b>	<b>\$ 42,733</b>	<b>\$ 25,350</b>	<b>-41%</b>
<b>Total Program Premium</b>	<b>\$ 717,303</b>	<b>\$ 866,675</b>	<b>20.82%</b>

**Exposure Changes**

			Inc/Dec
<b>Building Values</b>	<b>\$ 119,509,447</b>	<b>\$130,842,798</b>	<b>9%</b>
<b>Contents</b>	<b>\$ 8,357,600</b>	<b>\$ 8,504,200</b>	<b>2%</b>
<b>Total Values</b>	<b>\$ 127,867,047</b>	<b>\$139,346,998</b>	<b>9%</b>
<b>Inland Marine (Equipment)</b>	<b>\$ 3,794,391</b>	<b>\$ 2,990,618</b>	<b>-21%</b>
<b>Payroll</b>	<b>\$ 23,306,278</b>	<b>\$ 24,268,939</b>	<b>4%</b>
<b>Jail Beds</b>	<b>109</b>	<b>109</b>	<b>0%</b>
<b>Vehicles</b>	<b>150</b>	<b>160</b>	<b>7%</b>
<b>Experience Modifier</b>	<b>0.8</b>	<b>0.96</b>	<b>20%</b>

## Request to Bind Coverage

Kendall County

We have reviewed the proposal and agree to the terms and conditions of the coverages presented. We are requesting coverage to be bound as outlined by coverage line below:

Coverage Line (Select One)	Premium	Bind Coverage
<b>Option 1:</b> ICRMT Package Property/Casualty/Workers' Compensation Program with CFC Cyber Limit \$2,000,000	\$866,675	<input type="checkbox"/>
<b>Option 2:</b> ICRMT Package Property/Casualty/Workers' Compensation Program with CFC Cyber Limit \$3,000,000	\$874,075	<input type="checkbox"/>

**Did you know that Alliant works with premium financing companies?  
Are you interested in financing your annual premium?**

Yes, please provide us with a financing quote.	No, we do not wish to finance our premium.
<input type="checkbox"/>	<input type="checkbox"/>

*This Authorization to Bind Coverage also acknowledges receipt and review of all disclaimers and disclosures, including exposures used to develop insurance terms, contained within this proposal.*

<b>Signature of Authorized Insured Representative</b>	<b>Date</b>
<b>Title</b>	
<b>Printed / Typed Name</b>	

**This proposal does not constitute a binder of insurance. Binding is subject to final carrier approval. *The actual terms and conditions of the policy will prevail.***

# ACCEPTANCE STATEMENT - ICRMT

**Named Insured:** Kendall County  
**Quote Number:** R2-1000040-2324-01  
**Policy Year:** DEC 01, 2023 - DEC 01, 2024

**Total Annual Premium** **\$841,325**

## Terms and Conditions

- The Named Insured can only cancel the Policy at program anniversary and only if 90-day prior written notice of cancellation is given. If required notice is not given, full estimated premium is earned, due and payable.
- All terms and conditions of membership in the Illinois Counties Risk Management Trust are set forth in the Trust by-laws. A copy of this document is available for your review
- Per the Membership Agreement, the member must be with the Trust for 12 months prior to withdrawing and can only withdraw at anniversary date of effective date.

## REQUESTED PAYMENT PLAN:

Annual       50/50       25/6

**FEIN:** \_\_\_\_\_

## Acceptance Statement:

Please accept this as a formal confirmation that all terms and conditions, attached scheduled items, and premiums proposed by the Illinois Counties Risk Management Trust are accepted effective 12/01/2023.

\_\_\_\_\_  
Signature of Official

\_\_\_\_\_  
Date

