

RESOLUTION 2015- 164

A RESOLUTION AUTHORIZING APPROVAL OF INSURANCE COVERAGE WITH THE ILLINOIS MUNICIPAL LEAGUE RISK MANAGEMENT ASSOCIATION NOT TO EXCEED \$809,192 FOR CALENDAR YEAR 2016

WHEREAS, the Village must maintain general liability, property, auto and worker's compensation insurance, and

WHEREAS, the Village Board of the Village of Vernon Hills finds it to be in the best interest of the municipality to make IMLRMA its carrier for insurance coverage, and

WHEREAS, the annual contribution is \$666,276; and

WHEREAS, the minimum/maximum contribution is \$594,818 and \$809,192, respectively; and

WHEREAS, the Village Board has determined that it is in the best interest of the Village to extend our limits of liability an additional \$7,000,000 for an annual cost of \$31,256 by an endorsement on our policy with the IMLRMA, which is included in the annual contribution amount; and

WHEREAS, the Village Board has determined that it is in the best interest of the Village to extend its coverage to include Equipment Breakdown for an annual cost of \$4,279 by an endorsement on our policy with the IMLRMA, which is also included in the annual contribution amount; and

WHEREAS, IMLRMA will also offer insurance coverage for fireworks displays at a later date at a cost of \$1,000 per event, which is not included in the annual contribution amount; and

WHEREAS, the Village will receive a 1.0% discount, decreasing the normal contribution from \$666,276 to \$659,613.24, and the minimum contribution from \$594,818 to \$588,870 if it is paid by November 20, 2015; and

WHEREAS, the Village Board has determined that it is in the best interest of the Village to bind coverage in the form of the min / max contribution.

NOW THEREFORE BE IT RESOLVED BY THE VILLAGE PRESIDENT AND BOARD OF TRUSTEES OF THE VILLAGE OF VERNON HILLS, LAKE COUNTY, ILLINOIS:

THAT, the Village Manager is authorized to commit the Village to make payments to the IMLRMA not to exceed \$809,192 and authorize the Finance Director to release the check prior to it appearing on the Board Invoice Approval List.

THAT, the Village Manager will also have the authority to execute the IMLRMA Minimum/Maximum Contribution Agreement.

THAT, the Village Manager will also have separate authority to purchase insurance coverage for fireworks displays at a cost of \$1,000 per event through IMLRMA during the 2016 calendar year.

Dated the 17th of November 2015

Adopted by roll call vote as follows:

AYES: 5 Hebda, Schultz, Marquardt, Koch, Grieb

NAYS: 0 - None

ABSENT AND NOT VOTING: 1 - Williams

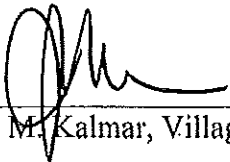


Roger Byrne, Village President

PASSED: 11/17/2015

APPROVED: 11/17/2015

ATTEST: 11/18/2015



John M. Kalmar, Village Clerk

Educate. Advocate. Empower.

IMLRMA MINIMUM/MAXIMUM CONTRIBUTION AGREEMENT

This Agreement is between the Illinois Municipal League Risk Management Association (IMLRMA), an intergovernmental association formed pursuant to Article VII, Section 10 of the Illinois Constitution of 1970 and the **VILLAGE OF VERNON HILLS**, a member of the IMLRMA. This Agreement amends and supplements the Declarations Pages dated January 01, 2016 to January 01, 2017 and all endorsements thereto.

1. DEFINITIONS

The following definitions shall apply for purposes of this Agreement:

"Loss Fund" -- Those dollars set aside for the payment of claims excluding reinsurance and excess premiums and administrative costs.

"Minimum Loss Fund" -- 80 percent of those dollars set aside for the payment of claims excluding reinsurance and excess premiums and administrative costs.

"Maximum Loss Fund" -- 120 percent of those dollars set aside for the payment of claims excluding reinsurance and excess premiums and administrative costs.

"Paid Claim Dollars" -- Those payments made by IMLRMA on claims including defense costs against the **VILLAGE OF VERNON HILLS** minus recovery from subrogation, deductible or salvage credited against those claim payments.

"Minimum Contribution" -- Minimum Loss Fund including reinsurance and excess premiums and administrative costs.

"Maximum Contribution" -- Maximum Loss Fund including reinsurance and excess premiums and administrative costs.

2. MINIMUM/MAXIMUM CONTRIBUTION BREAKDOWN

The **VILLAGE OF VERNON HILLS** hereby agrees to the following schedule of contributions:

		<u>Minimum Contribution</u>		<u>Maximum Contribution</u>
Reinsurance and Excess Premiums and Administrative Costs		\$ 189,889		\$ 189,889
Loss Fund Contribution	@ 80%	<u>\$ 381,110</u>	@ 120%	<u>\$ 571,664</u>
		\$ 570,999		\$ 761,553

3. Based upon a comparison of paid claim dollars against the Loss Fund, IMLRMA will determine whether additional contributions beyond the minimum contribution will be required up to the maximum contribution.

4. For purposes of determining paid claims, IMLRMA will complete a semi-annual review of paid claim dollars.



IMLRMA Minimum/Maximum Contribution Agreement
VILLAGE OF VERNON HILLS

5. NOTICE

IMLRMA hereby agrees to send, through its agents, written notice when paid claim dollars are equal to or greater than 60 percent of the Minimum Loss Fund.

IMLRMA agrees, through its agents, to send a second written notice when paid claim dollars equal or exceed 85 percent of the Minimum Loss Fund.

6. BILLING/PAYMENT -- The parties to this Agreement hereby agree to the following terms:

When paid claim dollars reach or exceed 100 percent of the Minimum Loss Fund, billing will be instituted on a yearly basis for those paid claim dollars in excess of the Minimum Loss Fund and billing will continue on a yearly basis until the Maximum Loss Fund limit is attained or all claims initiated during the coverage period are closed. Billings will be completed in July of each year for paid claim dollars through June 30.

The **VILLAGE OF VERNON HILLS** hereby agrees to make payment within 30 days of its receipt of billing.

7. All other definitions, conditions and coverages of the IMLRMA remain the same under this Agreement, including the handling of all claims.

8. This Agreement is to be interpreted and construed in accordance with the laws of the State of Illinois.


9. If any one portion or portions of this Agreement is found to be invalid or unenforceable, the remainder shall remain valid and binding on the parties.

The undersigned hereby affirm that they are duly authorized as agents to bind the parties to this Agreement.



Mayor/Village President

11/23/2015
Date



Treasurer/Comptroller/RMC

11/23/2015
Date



IMLRMA, Managing Director

12-11-15
Date