



Purchase Order

Fiscal Year 2023 Page 1 of 1

THIS NUMBER MUST APPEAR ON ALL INVOICES, PACKAGES AND SHIPPING PAPERS.

Purchase Order # **20230043-00**

BILL TO

CITY OF BLOOMINGTON
 ACCOUNTS PAYABLE
 PO BOX 3157
 BLOOMINGTON, IL 61702-3157
 (309) 434-2334

Delivery must be made within doors of specified destination.

VENDOR

ARTHUR J GALLAGHER LLC
 2850 WEST GOLF ROAD
 5TH FLOOR
 ROLLING MEADOWS IL 60008

SHIP TO

HUMAN RESOURCES DEPARTMENT
 CITY HALL 1ST FLOOR
 109 EAST OLIVE STREET
 BLOOMINGTON IL 61701
 309-434-2215

Vendor Phone Number		Vendor Fax Number		Requisition Number		Delivery Reference									
				38											
Date Ordered	Vendor Number	Date Required	Freight Method/Terms		Department/Location										
05/06/2022	2800				HUMAN RESOURCES										
Item#	Description/Part No.			Qty	UOM	Unit Price	Extended Price								
1	PROFESSIONAL, ADMINISTRATIVE & Consulting Services			1.0	EACH	\$1,269,982.000	\$1,269,982.00								
<p><i>Approved by Council 4/25/22 Item 70 - Insurance and Client Services per executed agreement.</i> Term <u>5/1/22 - 4/30/23</u></p> <p style="text-align: center;">***** GL SUMMARY *****</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%;">60150150 - 70220</td> <td style="text-align: right;">41,593.00</td> </tr> <tr> <td>60150150 - 70702</td> <td style="text-align: right;">322,200.00</td> </tr> <tr> <td>60150150 - 70703</td> <td style="text-align: right;">530,527.00</td> </tr> <tr> <td>60150150 - 70704</td> <td style="text-align: right;">375,662.00</td> </tr> </table>								60150150 - 70220	41,593.00	60150150 - 70702	322,200.00	60150150 - 70703	530,527.00	60150150 - 70704	375,662.00
60150150 - 70220	41,593.00														
60150150 - 70702	322,200.00														
60150150 - 70703	530,527.00														
60150150 - 70704	375,662.00														

Packing slip must accompany all shipments. ALL TERMS & CONDITIONS LISTED ON THE CITY OF BLOOMINGTON WEBSITE APPLY (www.cityblm.org/terms). The City reserves the right to cancel this order if delivery is not made by agreed-upon delivery date. Ship F.O.B. Bloomington, IL, or preapproved best value.

The City of Bloomington is exempt by statute from payment of all federal, state, and municipal excise, sales, and other taxes. Federal ID and tax exemption number is 37-6001563. State of Illinois tax exemption number is E9994-9903.

THE CITY OF BLOOMINGTON IS AN EQUAL OPPORTUNITY EMPLOYER.

Carla A. Munnell
 Procurement Manager

PO Total **\$1,269,982.00**

Arthur J. Gallagher Risk Management Services, Inc.
 2850 Golf Road
 Rolling Meadows, IL 60008

BISKA1

Phone: (630)773-3800 Fax: (630)285-4062

Invoice #	4263147	1 of 3
ACCOUNT NUMBER	DATE	
BLOOMIN-01	5/8/2022	
BALANCE DUE ON	AMOUNT DUE	
5/8/2022	\$1,269,982.00	

City of Bloomington
 109 E. Olive Street
 Bloomington, IL 61701



Insurance | Risk Management | Consulting

Excess Liability	PolicyNumber: 3000055-1	Company: States Self-Insrs RRG, Inc	Effective: 5/1/2022 to 5/1/2023
Item #	Trans Eff Date	Due Date	Trans Description Amount
27239915	5/1/2022	5/8/2022	NEWB New Business Premium \$95,251.00
Excess Liability	PolicyNumber: 5111026301	Company: Allied World National Assurance Company	Effective: 5/1/2022 to 5/1/2023
Item #	Trans Eff Date	Due Date	Trans Description Amount
27240013	5/1/2022	5/8/2022	RENB Renewal Premium \$124,750.00
27240016	5/1/2022	5/8/2022	TERR Terrorism Charge \$1,080.00
Crime	PolicyNumber: BDC - 1939195 - 04	Company: Allmerica Financial Benefit Insurance Co	Effective: 5/1/2022 to 5/1/2025
Item #	Trans Eff Date	Due Date	Trans Description Amount
27239951	5/1/2022	5/8/2022	RENB Renewal Premium \$7,589.00
Equipment Breakdown	PolicyNumber: BME1-9C450991-TIL	Company: Travelers Property Casualty Co of America	Effective: 5/1/2022 to 5/1/2023
Item #	Trans Eff Date	Due Date	Trans Description Amount
27239889	5/1/2022	5/8/2022	RENB Renewal Premium \$13,723.00
Automobile	PolicyNumber: CA 6675603	Company: Safety National Casualty Corporation	Effective: 5/1/2022 to 5/1/2023
Item #	Trans Eff Date	Due Date	Trans Description Amount
27239956	5/1/2022	5/8/2022	RENB Renewal Premium \$86,998.00
Fee in Addition to/In Lieu of	PolicyNumber: CITBLOAJGFEE	Company: Arthur J Gallagher - Itasca	Effective: 5/1/2022 to 5/1/2023
Item #	Trans Eff Date	Due Date	Trans Description Amount
27239873	5/1/2022	5/8/2022	AFEE Agency Contract Fee \$41,593.00
Liquor Liability	PolicyNumber: ELIL101037	Company: Founders Insurance Company	Effective: 5/1/2022 to 5/1/2023

Please return this portion with your payment. Include your invoice number on your remittance to expedite processing.

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 109 E. Olive Street
 Bloomington, IL 61701

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AMOUNT PAID	

Please send your remittance to:

Arthur J. Gallagher Risk Management Services, Inc.
 39735 Treasury Center
 Chicago, IL 60694-9700



Insurance | Risk Management | Consulting

*** SAVE TIME AND MONEY! PAY THIS INVOICE ONLINE AT WWW.AJG.COM/EZPAY. ***

Arthur J. Gallagher Risk Management Services, Inc.

BISKA1

2850 Golf Road
Rolling Meadows, IL 60008

Phone: (630)773-3800 Fax: (630)285-4062

Invoice #	4263147	2 of 3
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5/8/2022	\$1,269,982.00	

City of Bloomington
109 E. Olive Street
Bloomington, IL 61701



Insurance | Risk Management | Consulting

Item #	Trans Eff Date	Due Date	Trans	Description	Amount
27239941	5/1/2022	5/8/2022	RENB	Renewal Premium	\$12,480.00
General Liability PolicyNumber: GL 6676250 Company: Safety National Casualty Corporation Effective: 5/1/2022 to 5/1/2023					
Item #	Trans Eff Date	Due Date	Trans	Description	Amount
27239954	5/1/2022	5/8/2022	RENB	Renewal Premium	\$38,277.00
Property incl Earthquake & PolicyNumber: KTK-CMB-8P31595-4-22 Company: Travelers Indemnity Company Effective: 5/1/2022 to 5/1/2023					
Item #	Trans Eff Date	Due Date	Trans	Description	Amount
27240009	5/1/2022	5/8/2022	RENB	Renewal Premium	\$347,918.00
Cyber Liability PolicyNumber: PLM-CB-S27P1IN1E Company: Palomar Excess and Surplus Insurance Compan Effective: 5/1/2022 to 5/1/2023					
Item #	Trans Eff Date	Due Date	Trans	Description	Amount
27239880	5/1/2022	5/8/2022	RENB	Renewal Premium	\$37,732.00
27239881	5/1/2022	5/8/2022	CFEE	Carrier Fee	\$750.00
27239882	5/1/2022	5/8/2022	SLTX	Surplus Lines Taxes	\$1,321.00
27239884	5/1/2022	5/8/2022	STFX	Stamping Fees	\$28.00
Law Enforcement Liability PolicyNumber: SLE6675604 Company: Safety Specialty Insurance Company Effective: 5/1/2022 to 5/1/2023					
Item #	Trans Eff Date	Due Date	Trans	Description	Amount
27239964	5/1/2022	5/8/2022	RENB	Renewal Premium	\$42,158.00
27239973	5/1/2022	5/8/2022	SLTX	Surplus Lines Taxes	\$1,476.00
27239974	5/1/2022	5/8/2022	STFX	Stamping Fees	\$32.00
Excess Workers Comp PolicyNumber: SP 4066521 Company: Safety National Casualty Corporation Effective: 5/1/2022 to 5/1/2023					

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109 E. Olive Street
Bloomington, IL 61701

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Please send your remittance to:

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39735 Treasury Center
Chicago, IL 60694-9700



Insurance | Risk Management | Consulting

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 2850 Golf Road
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Phone: (630)773-3800 Fax: (630)285-4062

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BALANCE DUE ON	AMOUNT DUE	
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City of Bloomington
 109 E. Olive Street
 Bloomington, IL 61701



Insurance | Risk Management | Consulting

Item #	Trans Eff Date	Due Date	Trans	Description	Amount
27239946	5/1/2022	5/8/2022	RENB	Renewal Premium	\$322,200.00

Public Officials Liability PolicyNumber: SPO6675605 Company: Safety Specialty Insurance Company Effective: 5/1/2022 to 5/1/2023

Item #	Trans Eff Date	Due Date	Trans	Description	Amount
27239961	5/1/2022	5/8/2022	RENB	Renewal Premium	\$39,803.00
27240045	5/1/2022	5/8/2022	SLTX	Surplus Lines Taxes	\$1,393.00
27240048	5/1/2022	5/8/2022	STFX	Stamping Fees	\$30.00

Underground Storage Tank PolicyNumber: UST G72576482 001 Company: Illinois Union Insurance Company Effective: 5/1/2022 to 5/1/2023

Item #	Trans Eff Date	Due Date	Trans	Description	Amount
27239988	5/1/2022	5/8/2022	RENB	Renewal Premium	\$6,210.00
27239990	5/1/2022	5/8/2022	SLTX	Surplus Lines Taxes	\$217.00
27239991	5/1/2022	5/8/2022	STFX	Stamping Fees	\$5.00

Excess Liability PolicyNumber: XPE4063041 Company: Safety National Casualty Corporation Effective: 5/1/2022 to 5/1/2023

Item #	Trans Eff Date	Due Date	Trans	Description	Amount
27239967	5/1/2022	5/8/2022	RENB	Renewal Premium	\$46,968.00

Total Invoice Balance: \$1,269,982.00

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BISKA1

City of Bloomington
 109 E. Olive Street
 Bloomington, IL 61701

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 39735 Treasury Center
 Chicago, IL 60694-9700



Insurance | Risk Management | Consulting

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Reg 38



CONSENT AGENDA ITEM NO. 7.0

FOR COUNCIL: April 25, 2022

SPONSOR: Human Resources Department

WARD IMPACTED: City-Wide Impact

SUBJECT: Consideration and action to approve the Proposal of Insurance and Client Services Agreement with J. Gallagher, in the amount of \$1,269,982 for service from May 1, 2022 through April 30, 2023, as requested by the Human Resources Department.

RECOMMENDED MOTION:

The proposed Agreement and Proposal of Insurance be approved.

STRATEGIC PLAN LINK:

-Goal 1. Financially Sound City Providing Quality Basic Services

STRATEGIC PLAN SIGNIFICANCE:

-Objective 1d. City services delivered in the most cost-effective, efficient manner

BACKGROUND: Arthur J. Gallagher (AJG) has served as the City's Insurance Broker since 2010. AJG is responsible for researching the insurance market and purchasing the City's Property, Liability, Excess Liability and Excess Workers' Compensation Insurance.

Services from AJG covered under this proposal include:

- Prepare Renewal Strategy Plan for client and insurance consultant
- Prepare renewal spreadsheets and forms. Obtain renewal information from the client and consultant
- Produce comprehensive submissions, based on underwriting data completed and present to each selected market
- Provide the client and insurance consultant a detailed renewal proposal outlining pricing and coverage information within requested time-frame
- Market/place/bind coverage as instructed by the client and the insurance consultant
- Review the accuracy of all policies and obtain corrections where needed in a timely manner
- Distribute copies of policies to both the client and the insurance consultant
- Process endorsement requests with carriers as requested by the client and the insurance consultant
- Arrange for issuance of auto ID cards and certificates of insurance as requested by the client
- Prepare for and attend meetings, as requested by the client or insurance consultant
- Review insurance contracts/vendor certificates as requested

COMMUNITY GROUPS/INTERESTED PERSONS CONTACTED: N/A

FINANCIAL IMPACT: This is an FY 2023 budgeted item. The overall cost of coverage and brokerage service for Fiscal Year 2023 (May 1, 2022 - April 30, 2023) is \$1,269,982. This includes the Insurance Broker Service fee of \$41,593. The accounts to be paid out of are the Casualty Insurance-Other Professional & Technical Services account (60150150-70220) totaling \$41,593 for the Insurance Broker Service fee; \$322,200 from the Casualty Insurance-Workers Compensation Premium account (60150150-70702); \$530,527 from the Casualty Insurance-Liability Insurance Premium account (60150150-70703) and \$375,662 from the Casualty Insurance-Property Insurance Premium account (60150150-70704).

If approved, a budget transfer will be processed to moved budgeted funds between the following accounts: 1) \$5,300.55 will be transferred from Casualty Insurance-Other Professional & Technical Services account (60150150-70220) to the Casualty Insurance-Liability Insurance Premium account (60150150-70703); 2) \$29,794.30 will be transferred from the Casualty Insurance-Workers Compensation Premium account (60150150-70702) to the Casualty Insurance-Liability Insurance Premium account (60150150-70703); 3) \$6,132.25 will be transferred from the Casualty Insurance-Property Insurance Premium account (60150150-70704) to the Casualty Insurance-Liability Insurance Premium account (60150150-70703); and 4) \$22,719.60 will be transferred from the Casualty Insurance-Insurance Administration Fee account (60150150-70720) to the Casualty Insurance-Liability Insurance Premium account (60150150-70703).

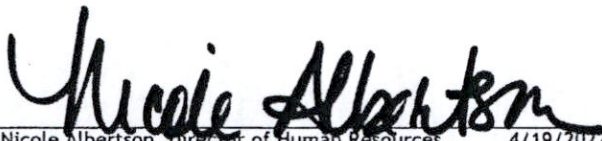
Stakeholders can locate the Casualty Insurance Fund Budget in the FY 2023 Proposed Budget Book titled "Other Funds & Capital Improvement" on page 140.

COMMUNITY DEVELOPMENT IMPACT: N/A

Respectfully submitted for Council consideration.

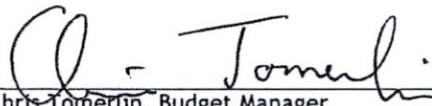
Prepared by: Alex Rosas, Safety & Risk Manager

Reviewed by:



Nicole Albertson, Director of Human Resources

4/19/2022



Chris Tomertin, Budget Manager

4/19/2022



Jeffrey R. Jurgens, Corporation Counsel

4/19/2022



Tara Henry, Legislative Assistant & Records Manager

4/21/2022

Attachments:

- HR 2B City of Bloomington - FY 23' Broker Services Agreement Gallagher
- HR 2C FY 23' Insurance Renewal Options and Recommendation
- HR 2D FY 23' Insurance Recommendation

CLIENT SERVICES AGREEMENT

This Client Services Agreement (this "**Agreement**") is made and entered into as of the 1st day of May, 2022 (the "**Effective Date**") by and between City of Bloomington, an Illinois Public Entity, Municipal ("**Client**"), and Arthur J. Gallagher Risk Management Services, Inc., an Illinois corporation, and its licensed brokerage affiliates ("**Gallagher**"). Client and Gallagher shall each be referred to herein as a "**Party**" and collectively as the "**Parties**."

WHEREAS, Gallagher is a global insurance brokerage and risk management services firm, and Client desires to retain Gallagher to provide certain services, as further described on Exhibit A attached hereto (collectively, the "**Services**").

NOW, THEREFORE, in consideration of the mutual promises contained herein, Gallagher and Client hereby agree as follows:

I. TERM AND TERMINATION

This Agreement shall commence on the Effective Date and continue for a term of one (1) year. This Agreement may be renewed upon mutual agreement of both parties on the first anniversary of the Effective Date for one (1) year. This Agreement may be terminated by either Party at any time upon Sixty (60) days' prior written notice. In the event of any such termination, Gallagher will work with Client during such 60-day period to transition its account as directed.

II. SERVICES

Gallagher will provide the Services for Client as set forth on Exhibit A and incorporated herein, which Exhibit A may be amended from time to time as agreed upon in writing by the Parties. For Services that specifically include insurance placement by Gallagher as the broker, Client hereby authorizes Gallagher to represent and assist Client in all discussions and transactions with insurance companies relating to the lines of insurance set forth on Exhibit A when acting as Client's insurance broker, provided that Gallagher shall not place any insurance on behalf of Client unless so authorized by Client in writing. In addition, Services that include the placement of insurance coverage require the following:

A. Client shall provide Gallagher with all information and documentation that may be relevant to the applicable risks that Client would like to insure, as requested by Gallagher and/or underwriters from which Gallagher intends to secure quotes. This information shall include any facts material to a fair assessment of the risk by underwriters, including risk exposures and loss experience, and shall be updated as information changes or is discovered after inception of coverage. Client's failure to fully and completely disclose all such information could result in a carrier declining coverage for a specific loss or voiding Client's insurance coverage altogether.

B. Gallagher will consult with Client regarding the terms of the insurance quotes received, and Client shall have sole discretion in the selection of the ultimate insurance markets and policies chosen, as well as any other decisions involving Client's risk management, risk transfer and/or loss prevention needs. Gallagher will use reasonable efforts to secure insurance coverages on Client's behalf and as directed by Client. Client must read all coverage proposals and policies carefully, as actual coverage is determined by the applicable policy language. Gallagher will provide guidance to Client regarding Client's policy or coverage inquiries. In the event an insurer cancels or refuses to issue a particular policy, Gallagher will use reasonable efforts to obtain replacement coverage from another insurer.

C. Client is responsible for notifying applicable insurance companies directly in connection with any claims, demands, suits, notices of potential claims or any other matters in accordance with the terms and conditions of Client's policies. Upon request, Gallagher will assist Client in determining applicable claim reporting requirements.

- D. Client has no obligation to purchase an insurance product through Gallagher.

III. COMPENSATION, TAXES AND FEES

A. Client shall pay Gallagher fees for the Services set forth on Exhibit A. Where permitted, the Services may include fees in lieu of or in addition to commission for placement of insurance. If Gallagher receives fees for insurance placement, the policy(ies) will be listed in Exhibit A, along with the fee for that insurance placement. Fees for post insurance placement Services may also be included in Exhibit A.

B. Gallagher's fees under this Agreement shall be fully earned on the Effective Date (and any anniversary thereof). All amounts shall be due and payable to Gallagher in U.S. dollars, within thirty (30) days after Client's receipt of the applicable invoice. Any amounts not paid when due will accrue interest at the rate of one and one-half percent (1.5%) per month or the highest rate permitted by applicable law, whichever is less. Client shall inform Gallagher in the event that Client's business operations change substantially, including the applicable risks insured. Under such circumstances, Client and Gallagher will negotiate in good faith to adjust the amount of commission and/or fees to be paid to Gallagher hereunder.

C. Where applicable, insurance coverage placements and other Services provided by Gallagher may require the payment of federal excise taxes, surplus lines taxes, stamping or other fees to the Internal Revenue Service, various State(s) departments of revenue, state regulators, boards or associations. In such cases, Client is responsible for the payment of such taxes and/or fees, which Gallagher will separately identify on related invoices. Under no circumstances will these taxes or other related fees or charges be offset against fees or commissions due to Gallagher hereunder.

IV. ADDITIONAL COMPENSATION AND FEES

A. In addition to the fees and/or commissions set forth in Exhibit A or otherwise described herein, Gallagher may also receive interest or other investment income on funds temporarily held by it, such as premiums or return premiums. Other parties, such as excess and surplus lines brokers, wholesalers, reinsurance intermediaries, underwriting managers, captive managers and similar parties, some of which may be owned in whole or in part by Gallagher's corporate parent, may earn and retain usual and customary commissions and fees in the course of providing insurance products to clients.

B. Any compensation that Gallagher receives from insurance carriers may differ depending on the market and the insurance product placed on Client's behalf. Gallagher agrees that it shall not accept contingent or supplemental commissions on any of Client's placements.

C. Client is responsible for payment of premiums for all insurance placed by Gallagher on its behalf. If any amount is not paid in full when due, including premium payments to insurance companies or premium finance companies, such nonpayment will constitute a material breach of this Agreement that will allow Gallagher to immediately terminate this Agreement upon written notice to Client, at its sole option. Further, the applicable insurance carrier may terminate the associated coverage for nonpayment. In addition, and not in lieu of the right to terminate, Gallagher reserves the right to apply return premiums or any other payment received by Gallagher on Client's behalf to any amounts owed by Client to Gallagher unless, and solely to the extent that, such return premiums or other payments are disputed by Client.

V. CONFIDENTIALITY & DATA PRIVACY

A. As used in this Agreement, Confidential Information means any nonpublic, proprietary or personal data and information furnished by either Party or its agents or representatives to the other Party or its agents and representatives, whenever furnished and regardless of the manner or media in which

such information is furnished, which the receiving Party knows or reasonably should know to be confidential. Each Party shall treat Confidential Information as confidential and only use it in the performance of its obligations under this Agreement.

B. The Parties acknowledge that Confidential Information includes personal data provided to Gallagher by Client for the benefit of Client and/or its employees to facilitate the placement of insurance and/or the Services set forth in Exhibit A. Both Parties also agree that the Confidential Information may include information that alone, or in combination with other information, uniquely identifies an individual. Client agrees that Gallagher is permitted to disclose and transfer Client's Confidential Information to Gallagher's affiliates, agents or vendors that have a need to know the Confidential Information in connection with the Services provided under this Agreement (including insurance carriers, as necessary, for quoting and/or placing insurance coverages). In addition, Gallagher may also utilize anonymized/de-identified Client data in connection with data analytics, service enhancement initiatives and similar business purposes. Either Party may also disclose such information to the extent required to comply with applicable laws or regulations or the order of any court or tribunal. Gallagher has established security controls to protect Client confidential information from unauthorized use or disclosure. For additional information, please review Gallagher's Privacy Policy located at <https://www.ajg.com/privacy-policy/>.

C. Both Gallagher and Client agree to comply with all state and federal laws, rules, and orders that relate to privacy and data protection which are, or which in the future may be, applicable to Confidential Information, the Services or the performance of obligations under this Agreement. Upon request, Gallagher will cooperate with Client pursuant to applicable law(s) to comply with requests from individuals regarding their personal information.

This Agreement is subject to the Freedom of Information Act (FOIA).

VI. LIABILITY LIMITATIONS

Gallagher's liability to Client arising from any acts or omissions of Gallagher shall not exceed \$20 million in the aggregate. Without limiting the foregoing, each Party shall only be liable for actual damages incurred by the other Party, and shall not be liable for any indirect, special, exemplary, consequential, reliance, or punitive damages or for any attorneys' fees other than as described in Section VIII.A below (whether incurred in a dispute or an action against the other, or as alleged damages that any Party incurred in any insurance coverage dispute, or otherwise). No claim or cause of action, regardless of form (tort, contract, statutory, or otherwise), arising out of, relating to or in any way connected with this Agreement or any Services provided hereunder may be brought by either Party any later than two (2) years after the accrual of such claim or cause of action.

VII. MISCELLANEOUS

A. Indemnification. Each Party agrees to defend, indemnify and hold the other Party and its affiliates and their respective directors, officers, employees and agents harmless from any and all losses, liabilities, exposures, damages and all related costs and expenses, including reasonable legal fees, to the extent arising from or relating to any third party claims, demands, suits, allegations, or causes or threats of action based on the indemnifying Party's: (i) breach of any representation, warranty or covenant made by such Party hereunder, or (ii) grossly negligent acts or omissions or intentional misconduct; provided, however, that the indemnifying Party's indemnification obligations hereunder shall be reduced to the extent that such losses and damages arise from the acts or omissions of the other Party or its employees or agents.

B. Advisory Services. The Services provided by Gallagher, its employees and affiliated companies do not constitute legal or tax advice. Client must consult with its own legal and financial advisors to become fully apprised of any legal or financial implications to its business.

C. Assignment. This Agreement shall apply to and bind the successors and assigns of the Parties hereto, including, in the event of a Party's insolvency, debtors-in-possession and any appointed trustee or administrator. This Agreement shall not be assignable by either Party, except with the prior

written consent of the other Party; provided, however, that either Party may assign this Agreement to an affiliate or in the event of a merger or sale, provided the assignee is willing and able to assume such Party's obligations hereunder.

D. Independent Contractor. Gallagher is engaged to perform Services as an independent contractor of Client and not as an employee or agent of Client, and will not be operating in a fiduciary capacity.

E. Governing Law & Venue. This Agreement and any Dispute relating to or arising out of this Agreement shall be governed by the laws of the State of Illinois, without regard to its conflict of law rules. Any litigation under Section VI.A of this Agreement shall be brought in federal or state court in McLean County, Illinois.

F. Force Majeure. Neither Party shall be liable to the other for any delay or failure to perform any of its obligations under this Agreement (other than payment obligations) as a result of flood, earthquake, storm, other act of God, fire, derailment, accident, labor dispute, explosion, war, act of terrorism, sabotage, insurrection, riot, embargo, court injunction or order, act of government or governmental agency or other similar cause beyond its reasonable control.

G. Counterparts. This Agreement may be executed in multiple counterparts (including by scanned image or electronic signature), each of which shall be considered one and the same agreement, and shall become effective when signed by each of the Parties hereto and delivered to the other Party.

H. Warranties. Except as expressly set forth in this Agreement, Gallagher makes no other warranties of any kind with respect to the Services, including, without limitation, warranties that may be implied from a course of performance, dealing or trade usage.

I. Severability. If a court/arbitrator of competent jurisdiction determines that any provision of this Agreement is void or unenforceable, that provision will be severed from this Agreement, and the court/arbitrator will replace it with a valid and enforceable provision that most closely approximates the intent of the Parties, and the remainder of this Agreement will otherwise remain in full force and effect.

J. Entire Agreement. This Agreement and the exhibits attached hereto constitute the entire agreement between the Parties with respect to the subject matter hereof, and supersede all prior negotiations, agreements and understandings as to such matters.

K. Non-Waiver. The Parties agree that any delay or forbearance by either Party in exercising any right or remedy under this Agreement or otherwise afforded by applicable law shall not be a waiver of or preclude the exercise of any such right or remedy. No change, waiver or discharge hereof shall be valid unless in writing and executed by the Party against whom such change, waiver or discharge is sought to be enforced.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed as of the Effective Date.

**ARTHUR J. GALLAGHER RISK
MANAGEMENT SERVICES, INC.**

CITY OF BLOOMINGTON

By: 
Derek Wright (Apr 18, 2022 10:16 CDT)

By: 

Name: J. Derek Wright

Name: Tim Gleason

Title: Area President

Title: City Manager

Fee: \$41,593
5/1/2022 to 5/1/2023

EXHIBIT A

City of Bloomington

BROKERAGE SERVICES FOR POLICY TERM 5/1/2022 to 5/1/2023

Coverages provided under this Service Agreement: Property (including Inland Marine) General Liability, Auto Liability, Auto Physical Damage, Law Enforcement Liability, Public Officials Liability (including Employment Practices Liability), Employee Benefits Liability, Excess Liability, Excess Workers Compensation, Boiler & Machinery, and Crime

1. Prepare Renewal Strategy Plan for Client and Risk Management Consultant.
2. Prepare Renewal Spreadsheets and forms. Obtain renewal information from the Client and Consultant.
3. Produce comprehensive submissions, based on underwriting data compiled and present to each selected market.
4. Provide the Client and Risk Management Consultant a detailed renewal proposal outlining pricing and coverage information within requested time-frame.
5. Place/Bind coverage as instructed by the Client and the Risk Management Consultant.
6. Arrange for binders to be prepared and deliver binders to the Client and copy to Risk Management Consultant.
7. Review the accuracy of all policies and obtain corrections where needed in a timely manner.
8. Distribute copy of policies to both the Client and Risk Management Consultant.
9. Process endorsement requests with carriers as requested by the Client and the Risk Management Consultant.
10. Issue or arrange for issuance of Auto ID cards and Certificates of Insurance (within 24 hours) as requested by the Client.
11. Act as Liaison if necessary between claims TPA/Insurance Carrier(s) and Client
12. Prepare for and attend meetings, as requested by the Client/Consultant/Board.
13. Review Insurance Contracts/Vendor Certificates as requested.

Signature: 
Derek Wright (Apr 18, 2022 10:16 CDT)

Email: derek_wright@ajg.com

Title: Area President

Company: Arthur J. Gallagher & Co.



NUGENT CONSULTING, LLC
INSURANCE & RISK MANAGEMENT CONSULTING

April 18, 2022

Ms. Nicole Albertson
Mr. Alex Rosas
City of Bloomington
109 E. Olive Street
Bloomington, IL 61701

Re: Insurance Coverage Renewal

Dear Nicole and Alex:

As we have done for many years, we met in October to commence the insurance renewal process. The City's current insurance broker, Gallagher, indicated the market would likely drive costs up another 22% due to continued challenges in the property, liability, and cyber insurance market.

The same general conditions that were present at the 2021 renewal are present for the 2022, but with further deterioration in the cyber market. We learned early on that Safety National Casualty (SNC) intended to pull back its limit offer from a total of \$10,000,000 to \$5,000,000. So the biggest challenge for the renewal was filling in that \$5,000,000 layer by either replacing SNC altogether, replacing just that layer with an alternative insurer, or pulling the higher layer down and either expanding that limit adding a layer on top. All of these options would be the major cost increase driver for the renewal. We directed Gallagher to secure competitive proposal. We were also approached by another agent (McClure & Associates) with a desire to provide quotations.

The attached spreadsheets provide the comparison of all eight options. Those options are summarized below:

Option 1 is the same structure as currently in place. Gallagher was successful in having Allied World drop their \$5,000,000 limit above SNC and using States Risk Retention Group (SRRG) for the final \$10,000,000 excess liability layer. States is a risk retention group (unrated) licensed by legislation passed in the last liability market crisis in the mid-1980s. They have quality reinsurers and I have no hesitation in recommending them. The only alternate to SRRG for the last \$10 Mil of coverage is Option 5 – which would cost \$93,000 in additional premium to recommended option.

Option 2 removes the aggregate excess coverage. The City has not used this provision in the past 20 years. This option saves \$10,000.

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April 18, 2022

Option 3 increases the auto physical damage deductible from \$50,000 to \$100,000. Historically the City has not had any claims in that corridor, so the savings (an additional \$11,000) is worthwhile. Option 3 is the recommended option.

Option 4 is an option from Travelers Insurance Company for the primary and excess liability coverages. All coverages match Option 2 but is \$41,000 higher than the Safety National options.

Option 5 was explained above and is only provided to show the cost of the rated insurer in the excess layer.

Options 6-8 are a combination of the Travelers property and liability through Gallagher and workers compensation options from McClure – two with Midwest Employers Casualty and one from the Illinois Public Risk Fund (IPRF). Options 6&7 are not competitive on cost and involve a much higher workers compensation self-insured retention. Option 8 is competitively priced and has the lowest workers compensation self-insured retention. IPRF requires the City to use CCMSI for claims administration. This would result in the City having to pay PMA run-off fees on the open WC claims and would cost the City more than \$50,000 for each of the next 3-5 years, wiping out the savings.

McClure was unable to provide alternatives for the non-workers compensation lines of coverage due to the limited market availability and some confusion in the market between the two brokers and the respective assignments.

Assuming you agree with the recommendation for Option 3, the overall cost increase is just under \$185,000 or 17%. \$110,000 of the increase is due to the need for the fill in layer of excess liability. \$41,000 is from the property and due to an increase in values (insurers are dictating increases in values to match or catchup on inflation). \$16,000 is on the workers compensation program and related to payroll increases. \$15,000 is on the cyber but well below the cyber benchmark increases (50%+). The cyber deductible will increase from \$25,000 to \$50,000.

I recommend the City Council approve the insurance program Option 3 .

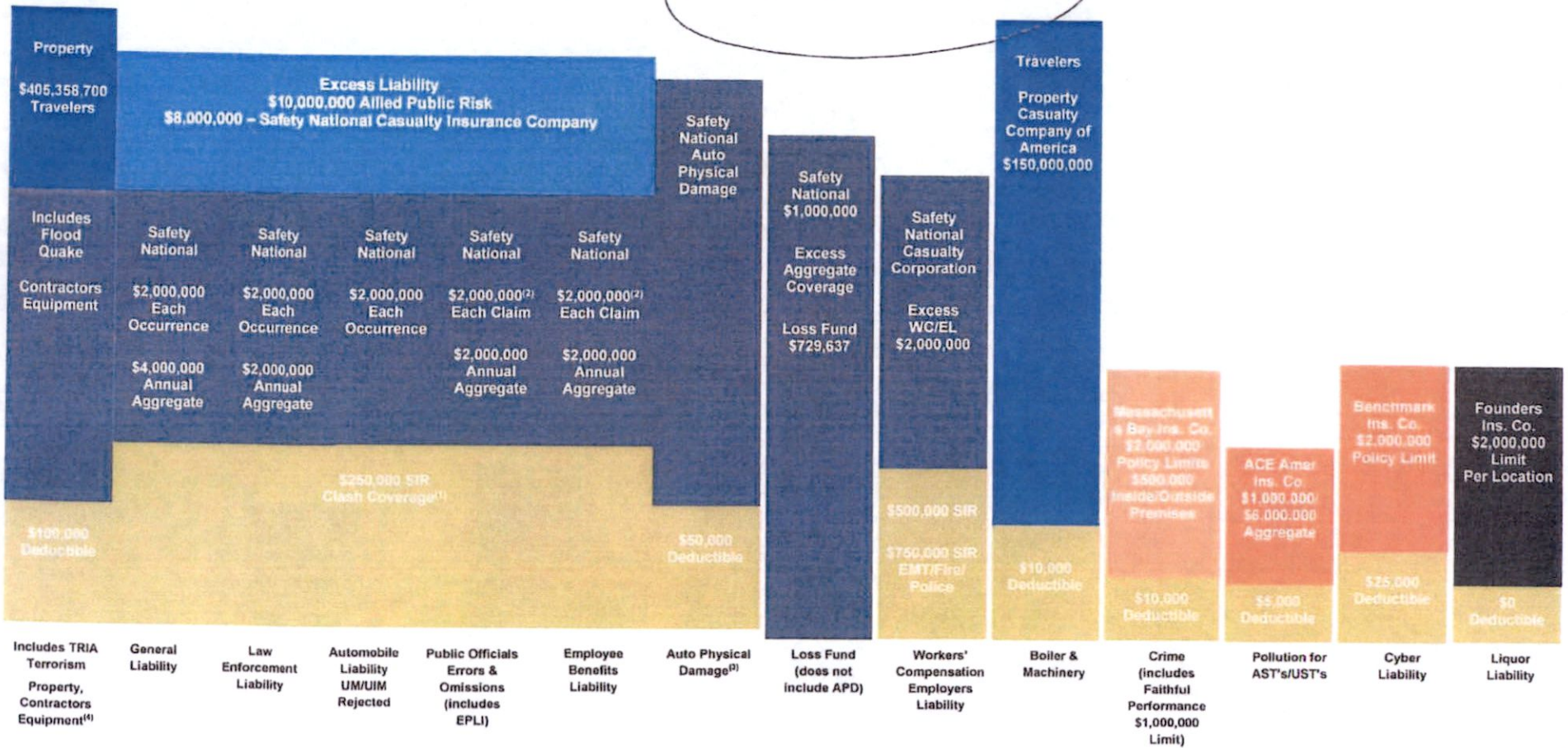
Sincerely,



Michael D-Nugent

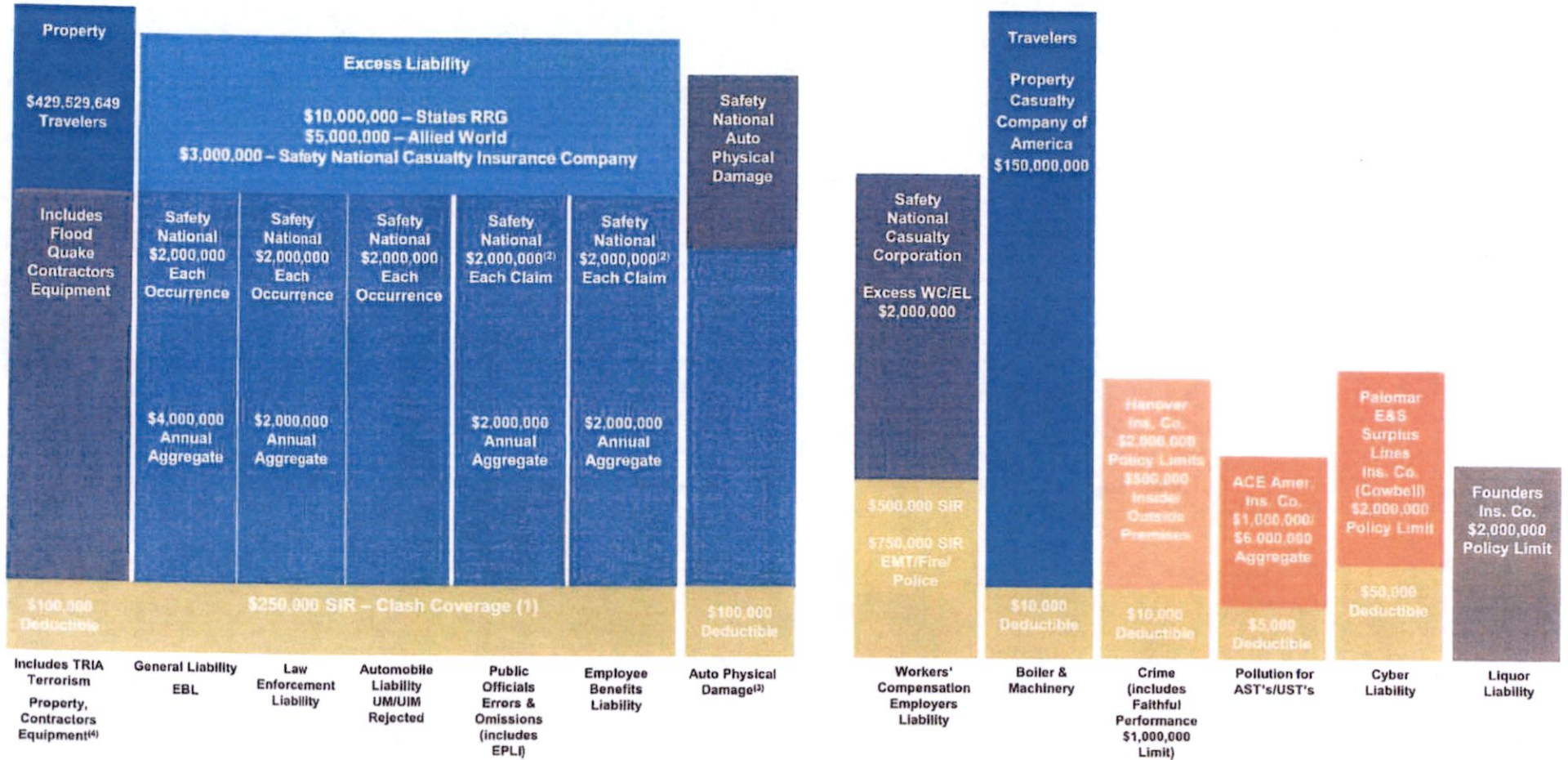
City of Bloomington – Option 2

Safety National/Travelers Program Structure Chart – Effective May 1, 2021 to May 1, 2022



- (1) The SIR is a per occurrence retention. Only one retention applies in the event of a multiple loss (clash coverage), and the higher retention shall apply. See policy Multiple Lines Loss Protection for limits in the event of a multiple lines loss
 - (2) Public Officials Errors & Omissions and Employee Benefits Liability are on a Claims-Made basis, with an annual aggregate.
 - (3) Safety National –Auto Physical Damage – All vehicles at ACV except Emergency Vehicles at Stated Value – changes mid-term do not need to be reported to carrier
 - (4) \$100,000 Deductible for Windstorm/Hail deductible and \$250,000 Deductible for Flood Zone A.
- Safety National notes: Coverage for Dams is silent – no specific exclusion; Sexual Abuse under the GL section and any claim for other sections will be picked up in this coverage section

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 (2) Public Officials Errors & Omissions and Employee Benefits Liability are on a Claims-Made basis, with an annual aggregate.
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 Safety National notes: Coverage for Dams is silent – no specific exclusion; Sexual Abuse under the GL section and any claim for other sections will be picked up in this coverage section.

FW: 4.25.22 Item 70 PO 202300243 Arthur J GallagherScott Rathbun <srathbun@cityblm.org>

Mon 5/9/2022 10:46 AM

To: Josh Moreland <jmoreland@cityblm.org>Cc: Alex Rosas <arosas@cityblm.org>; Misty Shafer <mshafer@cityblm.org>; Nicole Albertson <nalbertson@cityblm.org>; Angie Brown <abrown@cityblm.org>; Frances Watts <fwatts@cityblm.org>

Josh,

This is approved.

Scott

From: Alex Rosas <arosas@cityblm.org>**Sent:** Monday, May 9, 2022 10:28 AM**To:** Frances Watts <fwatts@cityblm.org>; Scott Rathbun <srathbun@cityblm.org>**Cc:** Misty Shafer <mshafer@cityblm.org>; Nicole Albertson <nalbertson@cityblm.org>; Angie Brown <abrown@cityblm.org>**Subject:** Fw: 4.25.22 Item 70 PO 202300243 Arthur J Gallagher

Good morning,

I have also attached the Gallagher invoice. This is ready for payment, due by end of May.

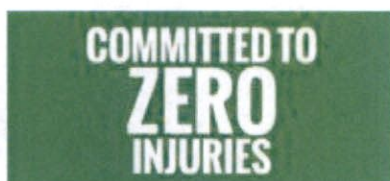
Thanks much!

Alex Rosas, CSP

Safety and Risk Manager

Office (309) 434-2223

Cell (309) 287-4569

arosas@cityblm.org[Apply Here](#)