

Financial Management

DATE: 9/16/2020

MEMO: Letter to the Decatur City Council

TO: Honorable Mayor Moore Wolfe,
City Council Members

FROM: Scot Wrighton, City Manager
Gregg D. Zientara, City Treasurer & Director of Finance

ATTACHMENTS:

Description	Type
Risk Management Letter to Council	Cover Memo
Letter to Council	Cover Memo
Resolution AIX	Cover Memo
Insurance proposal	Cover Memo

LETTER to the DECATUR CITY COUNCIL
Finance Department

DATE: September 15, 2020

TO: Honorable Mayor Moore Wolfe
City Council

FROM: Scot Wrighton, City Manager
Gregg D. Zientara, City Treasurer & Director of Finance

SUBJECT: Risk Management Insurance

The recent social unrest events throughout the country, namely in Minneapolis, Portland, and Kenosha, as well as the weather related events from wind storms in the southern part of the country and fire hazards on the west coast, has created a significant shift in the risk management insurance profiles and risk coverage assessments in the insurance industry.

Although, it is believed that this is a shorter-term marketplace situation, insurance carriers have increased coverage pricing or have limited risk exposure in their coverage offerings, passing more risk exposure to insured clients.

As such, in these challenging financial times, city staff embarked upon a critical review of the risk management insurance coverages of the city.

Attached is the risk management insurance renewal proposal for the city for the coverage period effective October 1, 2020.

Although the city is experiencing some increased price of coverage due to these conditions, the city has been able to reduce the overall cost of insurance coverage for the policy period commencing October 1, 2020.

This is accomplished primarily from a significant reduction in the cost of workers compensation insurance coverage as the city shifts from a fully self-insured position to a pool insurance arrangement.

This change will save the city on the order of \$300k in risk management insurance coverage expense in fiscal 2021.

Gregg D. Zientara
City Treasurer & Director of Finance

**LETTER to the DECATUR CITY COUNCIL
Finance Department**

DATE: September 15, 2020

TO: Honorable Mayor Moore Wolfe
City Council

FROM: Scot Wrighton, City Manager
Gregg D. Zientara, City Treasurer & Director of Finance

SUBJECT: Resolution(s) Authorizing Insurance Coverage for Property, Liability and Workers Compensation for the City of Decatur, Illinois for the Policy Period October 1, 2020 to October 1, 2021

SUMMARY RECOMMENDATION

City Administration recommends City Council approval of the attached resolution(s) authorizing insurance coverage for property and casualty, liability, and workers compensation for the period October 1, 2020 through October 1, 2021.

BACKGROUND

The Risk Management program of the City of Decatur includes a series of self insured and excess coverage policies securing the property and casualty, liability, and workers compensation risks of the organization.

The City has long maintained a self-insured position with excess insurance coverage at levels deemed to be affordable and appropriate in protecting the City from risk.

The City has an insurance broker and advisory arrangement with Arthur J. Gallagher Risk Management Services, through their Decatur office. Under this arrangement, Arthur J. Gallagher provides broker services including the shopping for insurance offerings and pricing, advisory services including evaluation and recommendation of coverage levels and insurance products, advisory services in all risk management matters, and loss mitigation services. This specific arrangement has been in place since 2014, and further includes a broker / advisor relationship with AJ Gallagher and its predecessors approaching 25+ years.

Existing Coverage – The City's expiring insurance program includes:

Property insurance – coverage limit of \$1,000,000 per occurrence with a \$150,000 SIR or deductible,
Excess Property insurance – coverage limit above \$1,000,000 to total property of \$212.5 million,
Liability insurance – coverage limit of \$15,000,000 per occurrence with a \$150,000 SIR or deductible,
Business auto liability – coverage limit \$10,000,000 per accident with a \$150,000 SIR or deductible,
Workers Compensation insurance – coverage limit of \$50,000,000 with a \$500,000 SIR or deductible,
Equipment breakdown insurance – coverage limit of 100,000,000 with a \$5,000 SIR or deductible,
Crime insurance – coverage limit \$500,000 per loss with a \$5,000 SIR or deductible,
Cyber liability insurance – coverage limit of \$1,000,000 per occurrence with a \$25,000 SIR or deductible.
Crisis protection insurance – coverage limit of \$1,000,000 per occurrence with \$0 SIR or deductible.

Proposed Coverage – The City’s renewed insurance program includes:

Property insurance – coverage limit of \$1,000,000 per occurrence with a \$150,000 SIR or deductible,
Excess Property insurance – coverage limit above \$1,000,000 to total property of \$234.7 million,
Liability insurance – coverage limit of \$15,000,000 per occurrence with a \$150,000 SIR or deductible,
Business auto liability – coverage limit \$10,000,000 per accident with a \$150,000 SIR or deductible,
Workers Compensation insurance – coverage limit of \$50,000,000 with a \$300,000 SIR or deductible,
Equipment breakdown insurance – coverage limit of 100,000,000 with a \$5,000 SIR or deductible,
Crime insurance – coverage limit \$500,000 per loss with a \$5,000 SIR or deductible,
Cyber liability insurance – coverage limit of \$5,000,000 per occurrence with a \$50,000 SIR or deductible.
Crisis protection insurance – coverage limit of \$1,000,000 per occurrence with \$0 SIR or deductible.

Recommendation

City Risk Management hereby requests City Council authorization to proceed forward to bind coverage for the insurance period commencing October 1, 2020 and ending October 1, 2021, including renewal of the coverage as proposed.

Arthur J Gallagher marketed the City’s coverage to multiple insurers to ascertain interest and competitiveness in the marketplace. The renewal proposals received from the expiring carriers offered the most competitive terms and conditions.

The city has elected to change the workers compensation insurance coverage from the former self-insured excess provider Liberty Mutual to the Illinois Public Risk Fund (“IPRF”). The IPRF is an Illinois Not-For-Profit Corporation established for the purpose of providing an intergovernmental joint insurance pool for insurance coverage of workers compensation insurance matters in the State of Illinois.

Selection of the IPRF for workers compensation insurance for the city will result in substantial insurance premium cost savings versus the former insurance position.

Annual premium \$	Prior Price 2018 - 2019	Expiring Price 2019 - 2020	Proposed Price 2020 - 2021	% Change
Existing coverage:				
Property & liability	264,473.00	282,782.00	269,373.00	(5)%
Excess property	68,000.00	81,127.00	85,409.00	5%
Excess liability		27,189.00	76,600.00	++
Auto physical damage			60,349.00	++
Crisis protection		40,446.00	42,750.00	6%
Workers compensation	611,957.00	600,542.00	146,996.00	(76)%
Boiler, crime, cyber	20,524.00	21,139.00	76,572.00	++
Total coverage	964,954.00	1,053,225.00	758,049.00	(28)%

The market review conducted by Arthur J Gallagher indicated that the coverage and price offering from the expiring carriers could not be and would not be improved upon by other carriers given current marketplace climate and price offering of the expiring carriers.

City Risk Management has devoted much attention to the management of the city’s workers compensation experience over this period, including, implementation of improved front end injury evaluation and treatment through the Company Nurse program; implementation of improved Occupational Health experience through HSHS; improved use of Nurse Case Manager services in the management of claim treatment; and, improved proactive management of claims.

These approaches have had a favorable impact.

Alternative Insurance Provider

During the insurance renewal process, the City approached several pool insurance providers. The investigation concluded that the self-insured position of the city for property, casualty and liability insurance coverage is best served in the self-insured position.

POTENTIAL OBJECTIONS

None

INPUT FROM OTHER SOURCES

Ted Miller & Cary Peters, Arthur J. Gallagher Risk Management Service, Inc.

STAFF REFERENCE

Scot Wrighton, City Manager
Gregg D. Zientara, City Treasurer & Director of Finance
Jenifer McCoskey, Risk Management Administrator

BUDGET/TIME IMPLICATIONS

Insurance coverage will commence effective October 1, 2020.

RESOLUTION NO. R2020 - _____

**RESOLUTION AUTHORIZING PROPERTY AND LIABILITY
INSURANCE COVERAGE FOR THE CITY OF DECATUR, ILLINOIS
FOR THE POLICY PERIOD OCTOBER 1, 2020 TO OCTOBER 1, 2021**

WHEREAS, the City of Decatur current business insurance coverage shall expire October 1, 2020, and,

WHEREAS, the City of Decatur is in need of property and liability insurance coverage for the period October 1, 2020 through October 1, 2021; and

WHEREAS, Arthur J. Gallagher Risk Management Services, Inc. has secured quotes on the City's behalf for property and liability insurance for the period October 1, 2020 through October 1, 2021; and,

WHEREAS, AIX Specialty Insurance Company (Hanover Insurance Companies) has submitted a quote to provide property, general liability, employee benefits liability, errors and omissions liability, employment practice liability, sexual harassment liability, sexual abuse liability, law enforcement liability, automobile liability, in the amount of \$269,373.00.

BE IT THEREFORE RESOLVED BY THE CITY COUNCIL OF THE CITY OF DECATUR, ILLINOIS:

Section 1. That the quote of AIX Specialty Insurance Company (Hanover Insurance Companies) to supply property, general liability, employee benefits liability, errors and omissions liability, employment practice liability, sexual harassment liability, sexual abuse liability, law enforcement liability, automobile liability, in the amount of \$269,373.00 to the City of Decatur be, and the same is hereby, accepted and approved.

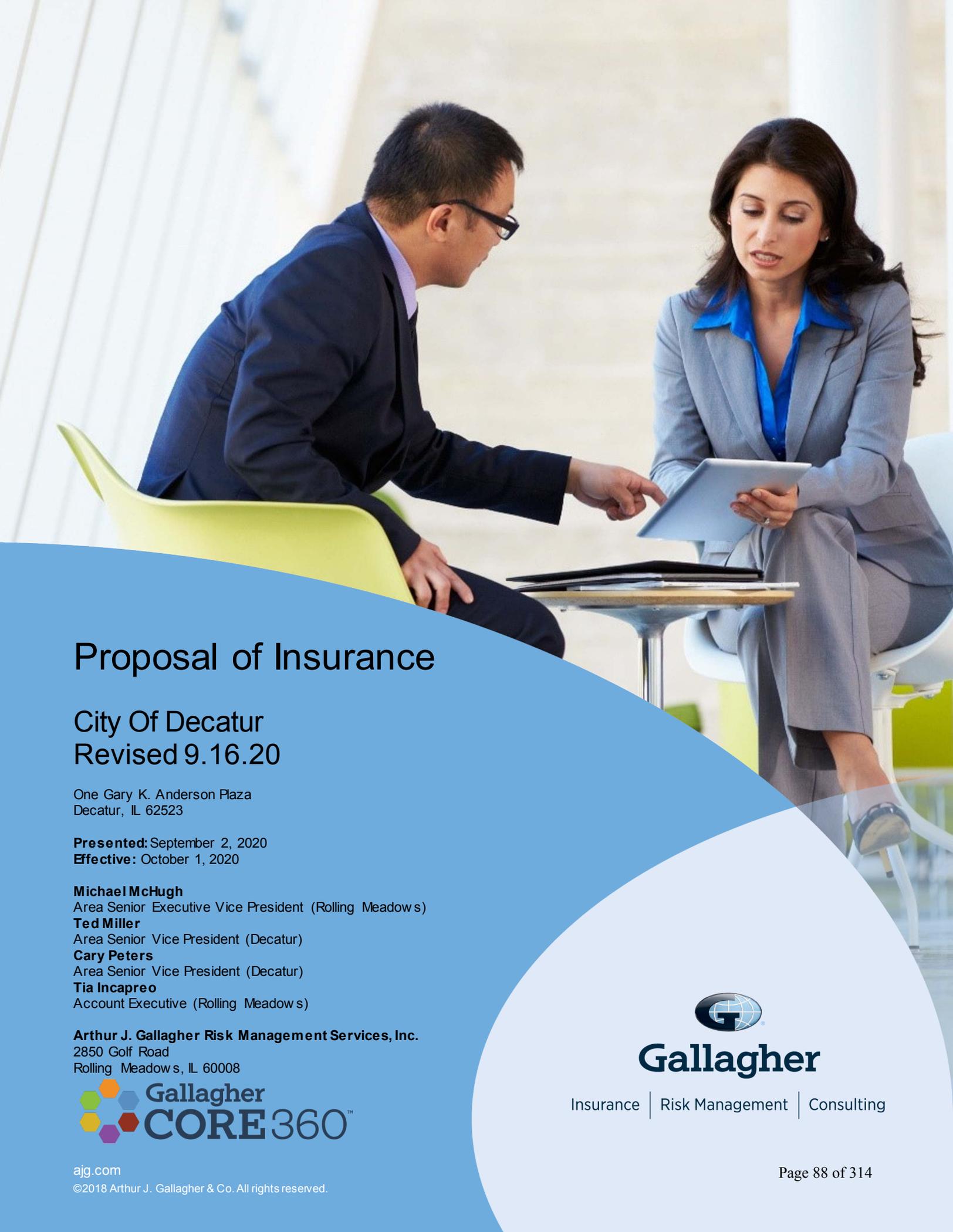
Section 2. That the City Manager be, and is hereby authorized to direct Risk Management to execute the Client Authorization to Bind Coverage with Arthur J. Gallagher Risk Management Services for the afore-mentioned service in accordance with the quotes as submitted by said companies.

PRESENTED AND ADOPTED this 21st day of September, 2020.

Julie Moore Wolfe, Mayor

ATTEST:

Angela Harper
Deputy City Clerk



Proposal of Insurance

City Of Decatur
Revised 9.16.20

One Gary K. Anderson Plaza
Decatur, IL 62523

Presented: September 2, 2020

Effective: October 1, 2020

Michael McHugh

Area Senior Executive Vice President (Rolling Meadows)

Ted Miller

Area Senior Vice President (Decatur)

Cary Peters

Area Senior Vice President (Decatur)

Tia Incapreo

Account Executive (Rolling Meadows)

Arthur J. Gallagher Risk Management Services, Inc.

2850 Golf Road

Rolling Meadows, IL 60008



ajg.com

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Gallagher

Insurance | Risk Management | Consulting

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Executive Summary

Arthur J. Gallagher Risk Management Services, Inc. appreciates the opportunity to present this proposal for your consideration.

Mr. Gregg Zientara
City Treasurer & Director of Finance
City of Decatur
One Gary K. Anderson Plaza
Decatur, IL 62523-1196

RE: October 1, 2020 Insurance Program Renewal

Dear Gregg,

As I sit down to write this 2020/2021 Executive Summary, it is Week 25 of working from my home office due to the outlook of COVID-19. During the past 5.5 months, we have had to deal with the Global Pandemic Coronavirus. It has effected all of us in our work, play and social aspects of our lives. Who would have thought that in 2020 the catch phrase of the day would be "social distancing".

As Gallagher continues its 30-year plus relationship with the City, we truly value the partnership with the City and look forward to continued success for many years to come.

As outlined during our pre-renewal meeting, the insurance marketplace continues to harden. We continue to see significant rate increases on property, casualty and cyber coverages.

On the property coverages, insurance carriers are continuing to pay on catastrophic claims such as fires, floods and tornadoes. In the Midwest, insurance carriers are running convective storm analytic reports for severe storms, floods, wind and hail exposures. What this means to you is that the insurance carriers reinsurance costs continue to increase and those increases are being passed onto insureds as rate increases and limit reductions. The average property rate increase for clean risks with little loss history averages 30% to 40%. Risks with claims are seeing minimum rate increases of at least 65% and higher.

The casualty marketplace is seeing the effects of social inflation. Social inflation is increased costs due to rising litigation which results in larger jury verdicts. For our municipalities that means carriers are seeing more suits involving excessive force under law enforcement, large auto liability claims, large public officials claims involving alleged sexual harassment, and employment practice claims. Concerned with the litigation environment being favorable to plaintiffs, carriers are pushing rate increases, limit reductions, and coverage exclusions.

In regards to the City's package policy renewal, our team not only went to our incumbent carrier, AIX Specialty Insurance Company, and we also explored various self-insured pool options for the municipality. We approached the Illinois Municipal League, MICA, and CIRMA. All of these cooperatives provide coverage to municipalities on a self-insured basis. Based upon the quotations we received from each pool, it is our recommendation that the city renew their package policy with our current carrier AIX Specialty Insurance Company. Based upon previous law enforcement claims, and the addition of a number of transit (busses) units midyear, our carrier has given us a very competitive renewal.

In regards to the City's excess property coverage renewal, our long term partner, the Travelers Insurance Company, has given us very competitive renewal terms with a slight rate increase which is in line with the current marketplace.

The cyber liability market is very volatile for public entities, especially during this time of pandemic. Ransomw are demands to municipalities are a constant. During the past year, many municipalities have had serious ransomw are and hacking issues. Our renewal limit of \$1,000,000 for cyber coverage renewal premium is relatively flat. We also secured alternative limit quotations for \$3,000,000 and \$5,000,000 limits. It is our recommendation that the city increase their cyber limit for this renewal.

As previously mentioned, the excess liability umbrella market is a product of social inflation. This 'social inflation' is a product of rising litigation which leads to high jury awards. During the past four years, the median average verdict for the top 50 cases in the US has doubled. What this means to us, is carriers are taking aggressive underwriting action. Carriers are reducing limits and increasing premiums. For carriers that used to have minimum premiums for higher limits of \$5,000 per million, now have a minimum premium of \$7,500-\$15,000 per million. In regards to the 20/21 renewal, please be advised that the excess carrier has pointed out that the number of auto units has increased from 258 to 319 per the schedule that was furnished at renewal. This is solely attributable to the adding of transit vehicles in January of 2020. I was able to negotiate with the excess liability carrier to not charge the additional \$22,000 of premium for this increased exposure. For the 20/21 renewal, the carrier will be charging for the increased exposure. In spite of this, the renewal for this coverage is still very competitive. If the city does not wish to purchase the additional \$5M, we recommend the city purchase the \$4M limit at \$64,700.

The 2020/2021 renewal for crime coverage at a \$500,000 limit is flat. We obtained an alternative limit of \$1,500,000. This would give the City a total crime limit of \$2,000,000. The additional premium for this coverage enhancement is nominal and it is recommended that the city purchase the higher limit.

After many years of the Illinois workers compensation market showing rate decreases, the market has begun to flatten. For the City's 2020 workers compensation renewal, we sought alternatives. We approached our incumbent carrier Liberty Mutual, and the Illinois Public Risk Fund (IPRF). The IPRF writes a majority of the municipalities for a number of years. One benefit of the program is that based upon your City's loss ratio, you can earn each year a safety grant. This grant will allow you to purchase safety equipment for police, fire, and public works at discounted costs. Based upon the significant program savings it is our recommendation that the city move their workers compensation coverage to IPRF.

In conclusion, the City of Decatur's 2020/2021 renewal pricing, coverages, and limits remained stable and is very competitively priced considering the current market conditions and pandemic.

We would like to thank you and your team for your cooperation during this unprecedented global pandemic. We value your loyalty and the relationship our team continues to develop with you on a daily basis.

Yours Truly,
Michael McHugh
Area Senior Executive Vice President

In the following pages, we will demonstrate what makes our company the best fit for your insurance placement and risk management needs. Thank you again for allowing us to be your partner in this placement.

Michael McHugh
Wednesday, September 2, 2020

Exposure Comparison

	2019	2020	% Change
TIV (excl APD)	\$ 197,784,929.00	\$ 214,547,937.00	8%
Auto Phys Damage	\$ 14,704,550.00	\$ 20,180,885.00	37%
Total TIV	\$ 212,489,479.00	\$ 234,728,822.00	10%
Fleet (Incl Busses)	408	429	5%

Service Team

Michael McHugh has primary service responsibility for your company. We operate using a team approach. Your Service Team consists of:

NAME / TITLE	PHONE / ALT. PHONE	EMAIL	ROLE
Michael McHugh Area Senior Executive Vice President	(630) 285-4373	Michael_McHugh@ajg.com	Co-Producer
Ted Miller Producer	(217) 233-3316	Ted_Miller@ajg.com	Co-Producer
Cary Peters Producer	(217) 233-3319	Cary_Peters@ajg.com	Co-Producer
Tia Incapreo Producer	(630) 438-1586	Tia_Incapreo@ajg.com	Co-Producer
Caitlin Murin Client Service Manager II	(630) 694-5462	Caitlin_Murin@ajg.com	Account Manager-Rolling Meadows
Alex Capotosto Client Service Manager Trainee	(630) 285-4194	Alex_Capotosto@ajg.com	Client Service Associate
Debbie Champion Client Service Manager	(309) 266-2111	Debbie_Champion@ajg.com	Account Manager-Decatur

Arthur J. Gallagher Risk Management Services, Inc.

Main Office Phone Number: (630) 773-3800

Program Structure

Named Insured

Named Insured Schedule:

Add / Change / Delete	Named Insured	Commercial Package	Excess Property	Crime	Excess Crime	Auto Physical Damage	Cyber Liability	Excess Workers Compensation	Excess Liability - \$3M xs \$10M	Gallagher Crisis Protect (GCP)
	City of Decatur	X	X	X	X	X	X	X	X	X
	Decatur Metropolitan Exposition, Auditorium and Office Building Authority	X	X							
	DBA Decatur Civic Center	X	X							
	Decatur Civic Center	X	X							

Note: Any entity not named in this proposal, may not be an insured entity. This may include affiliates, subsidiaries, LLC's, partnerships and joint ventures.

Market Review

We approached the following carriers in an effort to provide the most comprehensive and cost effective insurance program.

INSURANCE COMPANY	LINE OF COVERAGE	RESPONSE	PREMIUM
AIX Specialty Insurance Company	Package	Recommended Quote	\$267,589.00
Travelers Excess and Surplus Lines Co	Excess Property	Recommended Quote	\$85,409.00
National Union Fire Insurance Company of Pittsburgh PA	Crime	Recommended Quote	\$3,068.00
Hiscox Insurance Company Inc.	Excess Crime	Recommended Quote	\$5,778.00
ACE American Insurance Company	Cyber Liability - \$1M	Quoted	\$13,596.00
ACE American Insurance Company	Cyber Liability - 31M	Quoted	\$36,376.00
ACE American Insurance Company	Cyber Liability - \$5M	Recommended Quote	\$55,810.00
Evanston Insurance Company	Excess Liability \$5M Excess of \$10M	Quoted	\$76,600.00
Evanston Insurance Company	Excess Liability \$4M Excess of \$10M	Recommended Quote	\$63,700.00
Evanston Insurance Company	Excess Liability 35M Excess of \$10M	Quoted	\$48,600.00
Hanover Insurance Company	APD - \$100k Ded./\$3M Limit	Quoted	\$50,714.00
Hanover Insurance Company	APD - \$100k Ded./\$10M Limit	Quoted	\$55,458.00
Hanover Insurance Company	APD - \$100k Ded./\$20M Limit	Recommended Quote	\$60,349.00
Hanover Insurance Company	APD - \$1M Ded./\$3M Limit	Quoted	\$39,096.00
Hanover Insurance Company	APD - \$1M Ded./\$10M Limit	Quoted	\$42,687.00
Hanover Insurance Company	APD - \$1M Ded./\$20M Limit	Quoted	\$46,508.00
Great American Insurance Agency, Inc.	Excess Liability \$3M Excess of \$10M	Declined to Quote - Other / Blocked by other markets	
Underwriters at Lloyd's London	Gallagher Crisis Protect (GCP)	Recommended Quote	\$42,750.00
Illinois Public Risk Fund	Workers Compensation	Recommended Quote	\$146,996.00

*The premium indicated is an estimate provided by the market. The actual premium and acceptance of the coverage requested will be determined by the market after a thorough review of the completed application.

Program Details

Coverage: Package - Property
Carrier: AIX Specialty Insurance Company
Policy Period: 10/1/2020 to 10/1/2021

Coverage:

SUBJECT OF INSURANCE	LIMIT TYPE	AMOUNT	BASIS
Coverage Section I - Property: Limit Of Insurance For Each Occurrence:			
Automobile Physical Damage	Limit	\$1,000,000	Each Occurrence
Flood & Surface Water	Limit	\$1,000,000	Each Occurrence
Flood & Surface Water	Limit	\$1,000,000	Annual Aggregate
Earthquake	Limit	\$1,000,000	Each Occurrence
Earthquake	Limit	\$1,000,000	Annual Aggregate
Named Windstorm	Limit	\$1,000,000	Each Occurrence
Business Income With Rental Value	Limit	\$550,000	Each Occurrence
Business Income Without Rental Value	Limit	\$550,000	Each Occurrence
Excess Loss Fund Protection Limit	Limit	\$1,000,000	Annual Aggregate
Auto Physical Damage	Limit	NIL	

Deductibles / Self-Insured Retention

TYPE	COVERAGE	AMOUNT
Self-Insured Retention	This Policy Has the Following Underlying Self Insured Retentions Which Apply to a Covered Loss for Each Accident, Occurrence, Offense or Claim Under:	-
Self-Insured Retention	Property Unless Listed Below :	\$150,000
Self-Insured Retention	Auto Physical Damage	\$25,000
Self-Insured Retention	Mobile Equipment	\$75,000
Deductible	Maintenance Deductible:	-
Deductible	Property Unless Listed Below :	\$1,000
Deductible	Auto Physical Damage	\$1,000
Deductible	Mobile Equipment	\$1,000
Deductible	Insured Loss Fund:	\$357,603 In the Aggregate Annually

Additional Coverage:

DESCRIPTION	LIMIT TYPE	AMOUNT
Coverage Section I - Property: Limit Of Insurance For Each Occurrence:		
Data Processing Systems	Limit	\$1,000,000
Data Processing Media	Limit	\$1,000,000
Data Processing Extra Expense	Limit	\$509,458
Valuable Papers	Limit	\$1,000,000
Fine Arts	Limit	\$617,400
Accounts Receivable	Limit	\$375,585
Extra Expense	Limit	\$926,100
Mobile Equipment	Limit	\$1,000,000
Transit	Limit	\$151,800
Automatic Acquisition Clause	Limit	\$1,000,000
The Maximum Limit of Insurance we Will Pay in Excess of the Insured Self Insured Retention for Part I B. - Clash Coverage Will be	Limit	\$750,000

Perils Covered:

TYPE	DESCRIPTION
Special Form Perils	Applies

Endorsements include, but are not limited to:

DESCRIPTION
Common Declarations Page
Signatures
Protected Self-Insurance Package Coverage Form
Statutory Requirement Endorsement
Service of Process – IL Endorsement
Endorsement – Contingent Tax Interruption Coverage
Cap on Losses from Certified Acts of Terrorism

Exclusions include, but are not limited to:

DESCRIPTION
Earth Movement Exclusion
Flood Exclusion
Government Action Exclusion
War Exclusion
Nuclear Hazard, Power Failure
Terrorist Activity Exclusion

Binding Requirements:

DESCRIPTION
Subject to Receipt and Acceptable Underwriter Review of the Latest Dam Inspection Report
Subject to Signed TRIA Selection Form and Signed Application are Required at Binding (Acord 60 US (2015/01)
Subject to Receipt of Loss Runs Valued Within 60 Days of Inception.
Subject to Confirmation no Material Change in Exposures from Current Application.
Subject to Confirmation Accumulated Surplus is Sufficient.

Other Significant Terms and Conditions/Restrictions:

DESCRIPTION
11.5% PSI Program Managers (10.0% Program Management & Underwriting + 1.5% Claims Management)

Premium	\$267,589.00
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ESTIMATED PROGRAM COST	\$267,589.00
	(+applicable taxes & fees)

Minimum And Deposit Premium

TRIA/TRIPRA PREMIUM (+ Additional Surcharges, Taxes and Fees as applicable)	\$1,784.00
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Subject to Audit: N/A

Coverage: Package - General Liability
Carrier: AIX Specialty Insurance Company
Policy Period: 10/1/2020 to 10/1/2021

Form Type:

COVERAGE	FORM TYPE	RETROACTIVE DATE	PENDING & PRIOR DATE
General Liability	Occurrence	Not Applicable	Not Applicable
Employee Benefits Liability	Claims Made	10/1/1982	
Errors & Omissions	Claims Made	10/1/1982	
Employment Practice Liability	Claims Made	10/1/1982	
Sexual Harassment Liability	Claims Made	10/1/1982	
Sexual Abuse Liability	Claims Made	10/1/1982	
Law Enforcement Liability	Occurrence	Not Applicable	Not Applicable

Coverage:

DESCRIPTION	LIMIT TYPE	AMOUNT	BASIS
All Coverages Under Coverage Section II General Liability Combined	Limit	\$10,000,000	Each Occurrence
All Coverages Under Coverage Section II General Liability Combined	Limit	\$10,000,000	Annual Aggregate
All Coverages Under Coverage Section IV Errors & Omissions Combined	Limit	\$10,000,000	Each Claim
All Coverages Under Coverage Section IV Errors & Omissions Combined	Limit	\$10,000,000	Annual Aggregate
Errors & Omissions	Sublimit	\$10,000,000	Each Claim
Errors & Omissions	Sublimit	\$10,000,000	Annual Aggregate
Employment Practice Liability	Sublimit	\$10,000,000	Each Claim
Employment Practice Liability	Sublimit	\$10,000,000	Annual Aggregate
Sexual Harassment Liability	Sublimit	\$10,000,000	Each Claim
Sexual Harassment Liability	Sublimit	\$10,000,000	Annual Aggregate
Sexual Abuse Liability	Sublimit	\$10,000,000	Each Claim
Sexual Abuse Liability	Sublimit	\$10,000,000	Annual Aggregate
All Coverages Under Coverage Section VI Combined: Employee Benefits Liability	Limit	\$10,000,000	Each Claim
All Coverages Under Coverage Section VI Combined: Employee Benefits Liability	Limit	\$10,000,000	Annual Aggregate
All Coverages Under Coverage Section VIII Combined: Law Enforcement Liability	Limit	\$10,000,000	Each Occurrence

Coverage:

DESCRIPTION	LIMIT TYPE	AMOUNT	BASIS
All Coverages Under Coverage Section VIII Combined: Law Enforcement Liability	Limit	\$10,000,000	Annual Aggregate

Deductibles / Self-Insured Retention

TYPE	COVERAGE	AMOUNT
Self-Insured Retention	This Policy Has the Following Underlying Self Insured Retentions Which Apply to a Covered Loss for Each Accident, Occurrence, Offense or Claim Under:	-
Self-Insured Retention	General Liability	\$150,000
Self-Insured Retention	Errors & Omissions Liability Unless Listed Below	\$150,000
Self-Insured Retention	Errors & Omissions	\$150,000
Self-Insured Retention	Employment Practice Liability	\$150,000
Self-Insured Retention	Sexual Harassment Liability	\$150,000
Self-Insured Retention	Sexual Abuse Liability	\$150,000
Self-Insured Retention	Employee Benefits Liability	\$150,000
Self-Insured Retention	Law Enforcement Liability	\$150,000

Any Other Continuity or Specific Dates/Limits applicable to the Claims-Made Conditions:

COVERAGE	CONTINUITY DATE	LIMITS	CONDITIONS
Employee Benefits Liability	--		
Errors & Omissions	--		
Employment Practice Liability	--		
Sexual Harassment Liability	--		
Sexual Abuse Liability	--		

Claims Made Coverage:

Should you elect to change carriers (if a new retroactive date is provided) or non-renew this policy, a supplemental extended reporting endorsement may be available subject to policy terms and conditions. You must request the extended reporting period in writing to the carrier within ([Days To Extend]) days of the expiration date. The cost of this extended reporting period is [Percent Cost]% of the annual premium and is fully earned. The extended reporting period extends only to those claims made during the extended reporting period for wrongful acts that occurred prior to the expiration date and would have been covered by the policy. Claims must be reported to the carrier within ([Days To Report]) days of the end of the policy period. The extended reporting period does not increase the limits of liability and is subject to all policy terms, conditions and exclusions.

Definition of Claim :

DESCRIPTION
Claim Means all Notices or Suits Demanding Payment of Money Arising out of Occurrence, Accident, Wrongful Act, Sexual Harassment, Sexual Abuse, Negligent Act, Error or Omission

Incident or Claim Reporting Provision:

REPORTING CONDITION TYPE	DESCRIPTION
	As soon as practical

Run Off Provisions:

DESCRIPTION	PREMIUM AMOUNT	PREMIUM DUE DATE	LENGTH	% OF EXPIRING PREMIUM
Refer to attached policy form	--	30 days	One Year	100%

Additional Coverage:

DESCRIPTION	LIMIT TYPE	AMOUNT
Employers Liability	Limit	\$2,000,000 x \$1,000,000

Endorsements include, but are not limited to:

DESCRIPTION
Common Declarations Page
Signatures
Protected Self-Insurance Package Coverage Form
Statutory Requirement Endorsement
Service of Process – IL Endorsement
Endorsement – Contingent Tax Interruption Coverage
Endorsement – Employers Liability
Endorsement – Sexual Harassment and Sexual Abuse (per expiring policy)
Cap on Losses from Certified Acts of Terrorism

Exclusions include, but are not limited to:

COVERAGE TYPE	DESCRIPTION
General Liability	Bodily Injury and Property Damage from pollutants - Absolute Exclusion
General Liability	Losses arising from the ownership maintenance or use of aircraft (including drones), autos, or watercraft, with some minor exceptions including certain contractual obligations
General Liability	Employment Related Practices Exclusion
General Liability	Liquor Liability Exclusion
General Liability	Aircraft Products Exclusion
General Liability	Professional Liability Exclusion
General Liability	Real Property in Your Care, Custody, and Control Exclusion
General Liability	Absolute Asbestos Exclusion

Exclusions include, but are not limited to:

COVERAGE TYPE	DESCRIPTION
General Liability	Absolute Lead Exclusion
General Liability	War and Nuclear Hazard
General Liability	Mold / Fungus
EBL	Dishonest, fraudulent, criminal or malicious act or omission
EBL	Bodily Injury or Property Damage or Personal Injury
EBL	Failure of performance of contract
EBL	Failure of any investment to perform as represented by you
EBL	Failure to comply with mandatory provisions of any law concerning Workers' Compensation, unemployment insurance, social security or disability benefits
EBL	Wrongful termination of an employee
EBL	Coercion, demotion, reassignment, discipline or harassment of an employee
EBL	Discrimination against an employee
General Liability	Terrorist Activity Exclusion

Binding Requirements:

DESCRIPTION
Subject to Receipt and Acceptable Underwriter Review of the Latest Dam Inspection Report
Subject to Signed TRIA Selection Form and Signed Application are Required at Binding (Acord 60 US (2015/01)
Subject to Confirmation no material change in exposures from current application
Subject to Receipt of loss runs valued within 60 days of inception.
Subject to Confirmation accumulated surplus is sufficient

Other Significant Terms and Conditions/Restrictions:

DESCRIPTION
11.5% PSI Program Managers (10.0% Program Management & Underwriting + 1.5% Claims Management)
Total Premium Includes TRIA Premium of \$1,843.00 Plus Tax of \$73.00.

Premium	INCLUDED
Taxes	INCLUDED
ESTIMATED PROGRAM COST	INCLUDED
Minimum And Deposit Premium -	\$273,542.00
TRIA/TRIPRA PREMIUM (+ Additional Surcharges, Taxes and Fees as applicable)	INCLUDED

Coverage: Package - Automobile
Carrier: AIX Specialty Insurance Company
Policy Period: 10/1/2020 to 10/1/2021

Coverage:

DESCRIPTION	LIMIT TYPE	AMOUNT	BASIS
Liability	Limit	\$10,000,000	Each Accident
Uninsured/Underinsured Motorist	Limit	\$20,000 any one person/\$40,000 any one occurrence	

Deductibles / Self-Insured Retention

TYPE	COVERAGE	AMOUNT
Deductible	This Policy Has the Following Underlying Self Insured Retentions Which Apply to a Covered Loss for Each Accident, Occurrence, Offense or Claim Under:	
Deductible	Automobile Liability	\$150,000

Endorsements include, but are not limited to:

DESCRIPTION
Common Declarations Page
Signatures
Protected Self-Insurance Package Coverage Form
Statutory Requirement Endorsement
Service of Process – IL Endorsement
Endorsement – Contingent Tax Interruption Coverage
Endorsement – Uninsured/Underinsured Motorist Coverage

Exclusions include, but are not limited to:

DESCRIPTION
Excluded Drivers
Expected or Intended Injury
Contractual
Workers' Compensation
Employers' Liability
Property Damage to Property Owned or Transported by you
Pollution
Other standard policy exclusions apply
Terrorism

Binding Requirements:

DESCRIPTION
Subject to Receipt and Acceptable Underwriter Review of the Latest Dam Inspection Report
Subject to Signed TRIA Selection Form and Signed Application are Required at Binding (Acord 60 US (2015/01))

Other Significant Terms and Conditions/Restrictions:

DESCRIPTION
11.5% PSI Program Managers (10.0% Program Management & Underwriting + 1.5% Claims Management)
Total Premium Includes TRIA Premium of \$1,843.00 Plus Tax of \$73.00.

Auto Disclaimer:

Commercial Auto policies utilize a set of coverage symbols to stipulate a category of covered autos. One or more symbols are assigned to each coverage purchased indicating which autos that coverage applies to. Please refer to your policy and make certain that you read and understand the various auto symbols and associated descriptions. Specific symbols may apply to either a particular kind of vehicle or the vehicle's ownership status. The symbols could also differ depending upon whether the coverage is for liability or physical damage. Also, in certain circumstances, an insurance company may agree to provide coverage for an auto scenario that is not described in the auto symbols. When this occurs, a unique symbol and related description is used. If you have any questions regarding the auto symbols or associated descriptions contained in your policy, please contact us.

Premium	INCLUDED
Taxes	INCLUDED
ESTIMATED PROGRAM COST	INCLUDED
Minimum And Deposit Premium -	\$273,542.00
TRIA/TRIPRA PREMIUM (+ Additional Surcharges, Taxes and Fees as applicable)	INCLUDED

Coverage: Excess Property
Carrier: Travelers Excess and Surplus Lines Co
Policy Period: 10/1/2020 to 10/1/2021

Coverage:

SUBJECT OF INSURANCE	LIMIT TYPE	AMOUNT
Travelers Limit	Limit	\$214,547,937 Excess \$1,150,000
Flood w/o A & V	Sublimit	\$11,150,000
All Other Earthquake	Sublimit	\$11,150,000

Additional Coverage:

DESCRIPTION	LIMIT TYPE	AMOUNT
This quotation is subject to the following ground up sub-limits and/or exclusions with all others as per the submission:		
Civil Authority		30 Days
Extended Period of Indemnity		60 Days
Ordinance or Law	Sublimit	\$1,000,000
Newly Acquired Locations	Sublimit	\$2,000,000
Unreported/Unnamed Locations	Sublimit	\$1,000,000
Property in Transit	Sublimit	\$151,800
Municipal Sales Tax	Sublimit	\$11,000,000
Equipment	Sublimit	\$24,456,235
All other sublimits		As per Underlying Quote

Perils Covered:

TYPE	DESCRIPTION
Special Form Perils	Risks of direct physical loss or damage including Flood, EQ, excluding B&M, TRIA.

Endorsements include, but are not limited to:

DESCRIPTION
Travelers Excess Property Coverage Form - XS P1 00 08 04

Exclusions include, but are not limited to:

DESCRIPTION
Earth Movement Exclusion
Flood Exclusion
Government Action Exclusion

Exclusions include, but are not limited to:

DESCRIPTION
War Exclusion
Nuclear Hazard, Power Failure
Protection of Property Expense - Exclusion and Underlying Insurance Limitation" applies
The Exclusion - "Certain Computer Related Losses Due to Dates or Times" Applies
The Policy Includes an Exclusion of Nuclear Hazard, Fungus, Wet Rot, Dry Rot and Bacteria, War, Military Action, Electronic Vandalism and Pathogenic or Poisonous Biological or Chemical Materials
The Exclusion - "Loss Due to Virus or Bacteria" applies
Frame Builder's Risk Projects are Excluded
Auto Physical Damage Exclusion

Binding Requirements:

DESCRIPTION
Subject to
- Travelers Surplus Lines Disclosure Form
- Forward a Copy of the Completed Primary Policy for our Review and Acceptance Within 60 Days of the Effective Date of Coverage
- Review of an Updated Loss History at the Time of Binding

Other Significant Terms and Conditions/Restrictions:

DESCRIPTION
Total Insured Values:. - PD: \$195,183,194 - BI: \$7,197,958 Total: \$202,381,152
Our participation is subject to us writing 100% of the authorized line(s). If more than one option is presented this would apply to any single option. Please contact us if you would like to discuss alternatives
125.00% Margin Clause applied per location to: Building/BPP/BI
Federal Terrorism Risk Insurance Act Disclosure
- The charge for such Insured Losses is included in the total premium for this policy. The charge that has been included for such Insured Losses under this policy is the amount indicated below, and does not include any charge for the portion of such Insured Losses covered by the Federal Government under TRIA: Option 1: \$0
- This Coverage May be Declined. If Declined, The Premium for This Policy Will be : Option 1: \$83,583

Premium	\$85,409.00
ESTIMATED PROGRAM COST	\$85,409.00
Minimum Earned Premium -	25.00 %
TRIA/TRIPRA PREMIUM (+ Additional Surcharges, Taxes and Fees as applicable)	\$0.00

Subject to Audit: N/A

Coverage: Crime

Carrier: National Union Fire Insurance Company of Pittsburgh PA

Policy Period: 10/1/2020 to 10/1/2021

Form Type:

COVERAGE	FORM TYPE	RETROACTIVE DATE	PENDING & PRIOR DATE
Crime	Loss Sustained	Not Applicable	Not Applicable

Coverage:

DESCRIPTION	LIMIT TYPE	AMOUNT	BASIS
Employee Theft - Per Loss Coverage	Limit	\$500,000	Single Loss
Forgery or Alteration	Limit	\$500,000	Single Loss
Inside the Premises - Theft of Money and Securities	Limit	\$500,000	Single Loss
Inside Premises - Robbery, Safe Burglary - Other Property	Limit	\$500,000	Single Loss
Outside the Premises	Limit	\$500,000	Single Loss
Computer Fraud	Limit	\$500,000	Single Loss
Funds Transfer Fraud	Limit	\$500,000	Single Loss
Money Orders and Counterfeit Paper Currency	Limit	\$500,000	Single Loss

Deductibles / Self-Insured Retention

TYPE	COVERAGE	AMOUNT
Deductible	Employee Theft - Per Loss Coverage - Single Loss - Single Loss	\$5,000
Deductible	Forgery or Alteration - Single Loss - Single Loss	\$5,000
Deductible	Inside the Premises - Theft of Money and Securities - Single Loss - Single Loss	\$5,000
Deductible	Inside Premises - Robbery, Safe Burglary - Other Property - Single Loss - Single Loss	\$5,000
Deductible	Outside the Premises - Single Loss - Single Loss	\$5,000
Deductible	Computer Fraud - Single Loss - Single Loss	\$5,000
Deductible	Funds Transfer Fraud - Single Loss - Single Loss	\$5,000
Deductible	Money Orders and Counterfeit Paper Currency - Single Loss - Single Loss	\$5,000
Deductible	Impersonation Fraud	\$25,000

Additional Coverage:

DESCRIPTION	LIMIT TYPE	AMOUNT
Impersonation Fraud	Limit	\$100,000

Endorsements include, but are not limited to:

DESCRIPTION
Government Crime Policy Admitted - CR0027 (05/06)

Endorsements include, but are not limited to:

DESCRIPTION
Illinois Changes - CR0202 05/06
Illinois Amendatory- Cancellation/Nonrenewal - 52142 07/13
Notice of Claim (Reporting by E-Mail) - 99758 08/08
Add Credit, Debit or Charge Card Forgery - CR2520 08/07
Add Faithful Performance of Duty Coverage for Government Employees - CR2519 05/06
Include Designated Person Required to Have Knowledge of Loss (Loss Sustained Form) - CR2023 08/07
Impersonation Fraud Coverage (ISO) - 134480 07/19
Include Treasurer or Tax Collectors as Employees - CR2512 08/07
Include Volunteer Workers as Employees - CR2509 08/07
Economic Sanctions Endorsement - 119679 09/15
Forms Index Endorsement - 78859 10/01

Exclusions include, but are not limited to:

DESCRIPTION
Third Party Employee Dishonesty
Government Action Exclusion
Accounting or Arithmetic Errors
Voluntary Parting of Property
Loss in which the existence of such loss is only proved by a profit and loss comparison or inventory records
Any theft or criminal act committed by a partner of the insured
Employee Dishonesty (does not apply to Employee Theft Coverage)
Protected Information Exclusion - 113013 10/12
Indirect or Consequential Loss Exclusion - 113024 10/12

Binding Requirements:

DESCRIPTION
Subject to:
-Signed and dated application with updated employee counts
-Confirmation of no notices of claims

Premium **\$3,068.00**

ESTIMATED PROGRAM COST **\$3,068.00**

DESCRIPTION	AMOUNT	DEDUCTIBLE / SELF-INSURED RETENTION	PREMIUM
Premium: \$2,404 , Deductible : \$25,000	\$500,000	Deductible : \$25,000 - Single Loss	\$2,404.00

DESCRIPTION	AMOUNT	DEDUCTIBLE / SELF-INSURED RETENTION	PREMIUM
Premium: \$2,043 , Deductible : \$50,000	\$500,000	Deductible : \$50,000 - Single Loss	\$2,043.00

Coverage: Excess Crime

Carrier: Hiscox Insurance Company Inc.

Policy Period: 10/1/2020 to 10/1/2021

Form Type:

COVERAGE	FORM TYPE	RETROACTIVE DATE	PENDING & PRIOR DATE
Excess Crime	Discovery	Not Applicable	Not Applicable

Defense Limitations:

COVERAGE TYPE	DEFENSE COST DOLLAR LIMIT	DEFENSE LIMIT	DEFENSE COST TYPE / COMMENTS
Excess Crime	Applies		Other / Claim Expenses is on a Per Occurrence Basis and is a Part of, And not in Addition to, The Limit Applicable to the Loss

Coverage:

DESCRIPTION	LIMIT TYPE	AMOUNT	BASIS
Insuring Agreement A: Fidelity - (1) Employee Theft	Limit	\$1,500,000	Per Occurrence
Insuring Agreement A: Fidelity - (2) Third Parties' Property	Limit	\$1,500,000	Per Occurrence
Insuring Agreement A: Fidelity - (5) ERISA (Limit Applies Per Plan)	Limit	\$1,500,000	Per Occurrence
Insuring Agreement B: Forgery - (1) Checks	Limit	\$1,500,000	Per Occurrence
Insuring Agreement B: Forgery - (2) Payment Cards	Limit	\$1,500,000	Per Occurrence
Insuring Agreement B: Forgery - (4) Counterfeit	Limit	\$1,500,000	Per Occurrence
Insuring Agreement C: Inside and Outside Loss - (1) Inside Premises	Limit	\$1,500,000	Per Occurrence
Insuring Agreement C: Inside and Outside Loss - (2) Outside Transit	Limit	\$1,500,000	Per Occurrence
Insuring Agreement D: Tech Fraud - (1) Computer	Limit	\$1,500,000	Per Occurrence
Insuring Agreement D: Tech Fraud - (2) Funds Transfer	Limit	\$1,500,000	Per Occurrence
Insuring Agreement D: Tech Fraud - (3) Cyber Deception	Limit	\$100,000	Per Occurrence

Deductibles / Self-Insured Retention

TYPE	COVERAGE	AMOUNT
Deductible	Insuring Agreement A: Fidelity - (1) Employee Theft - Per Occurrence	\$500,000
Deductible	Insuring Agreement A: Fidelity - (2) Third Parties' Property - Per Occurrence	\$500,000
Deductible	Insuring Agreement B: Forgery - (1) Checks - Per Occurrence	\$500,000
Deductible	Insuring Agreement B: Forgery - (2) Payment Cards - Per Occurrence	\$500,000
Deductible	Insuring Agreement B: Forgery - (4) Counterfeit - Per Occurrence	\$500,000
Deductible	Insuring Agreement C: Inside and Outside Loss - (1) Inside Premises - Per Occurrence	\$500,000
Deductible	Insuring Agreement C: Inside and Outside Loss - (2) Outside Transit - Per Occurrence	\$500,000
Deductible	Insuring Agreement D: Tech Fraud - (1) Computer - Per Occurrence	\$500,000

Deductibles / Self-Insured Retention

TYPE	COVERAGE	AMOUNT
Deductible	Insuring Agreement D: Tech Fraud - (2) Funds Transfer - Per Occurrence	\$500,000
Deductible	Insuring Agreement D: Tech Fraud - (3) Cyber Deception - Per Occurrence	\$10,000

Endorsements include, but are not limited to:

DESCRIPTION
General Terms and Conditions - CSU P0001A CW (07/17)
Crime Coverage Part Loss Discovered Policy - CSUCRI P0001A CW (07/17)
ERISA Bond Coverage Endorsement - Illinois -CSUCRI E1467 IL (07/17)
Illinois Amendatory Endorsement - CSUCRI E1083 IL (01/19)
Government Conversion with Faithful Performance Endorsement - CSUCRI E1415 CW (07/17)
Economic and Trade Sanctions Policyholder Notice - INT N001 CW 01 09

Exclusions include, but are not limited to:

DESCRIPTION
Nuclear Incident Exclusion Clause – Liability-Direct (Broad) Endorsement - CSU E2507 CW (07/17)
War and Civil War Exclusion Endorsement - CSU E2624 CW (07/17)

Premium	\$5,778.00
ESTIMATED PROGRAM COST	\$5,778.00

Coverage: Auto Physical Damage
Carrier: Hanover Insurance Company
Policy Period: 10/1/2020 to 10/1/2021

Coverage:

DESCRIPTION	AMOUNT
Loss Limit – Max Per Occurrence – Scheduled Locations	\$20,180,855
Max Per Occurrence - Locations Not Scheduled	\$250,000
Wind/Hail	\$20,180,855
Flood - Maximum for Moderate Hazard zones	\$1,000,000
Flood – Non Hazard Zone	\$20,180,855; Max \$10,000,000 Aggregate
Flood – 1800 S. Route 51 and 2760 N. 22 nd Street	\$5,000,000 Maximum Aggregate
Earthquake	\$20,180,855; Max \$10,000,000 Aggregate
New ly Acquired Sublimit - applies to covered property	\$250,000

Deductibles / Self-Insured Retention

TYPE	COVERAGE	AMOUNT	ADDITIONAL INFO
Deductible	Deductible	\$100,000	Per Occurrence

Exclusions include, but are not limited to:

DESCRIPTION
Excluded Drivers
Expected or Intended Injury
Contractual
Workers' Compensation
Employers' Liability
Property Damage to Property Ow ned or Transported by you
Flood - Excluding all High Hazard Zones
Over the Road Coverage

Other Significant Terms and Conditions/Restrictions:

DESCRIPTION
Valuation: ACV
Coverage is based off a schedule of assets reported totaling \$20,180,885 in values – See attached SOV.
New ly Acquired Sublimit of \$250,000 applies to covered property. Any single asset in excess of \$250,000 must be reported to the underw riter midterm for review

Auto Disclaimer:

Commercial Auto policies utilize a set of coverage symbols to stipulate a category of covered autos. One or more symbols are assigned to each coverage purchased indicating which autos that coverage applies to. Please refer to your policy and make certain that you read and understand the various auto symbols and associated descriptions. Specific symbols may apply to either a particular kind of vehicle or the vehicle's ownership status. The symbols could also differ depending upon whether the coverage is for liability or physical damage. Also, in certain circumstances, an insurance company may agree to provide coverage for an auto scenario that is not described in the auto symbols. When this occurs, a unique symbol and related description is used. If you have any questions regarding the auto symbols or associated descriptions contained in your policy, please contact us.

Premium	\$60,349.00
ESTIMATED PROGRAM COST	\$60,349.00

Optional Coverages:

DESCRIPTION	LIMIT AMOUNT	DEDUCTIBLE / SELF-INSURED RETENTION	PREMIUM
Auto Physical Damage	\$3,000,000	\$100,000	\$50,714.00
Auto Physical Damage	\$10,000,000	\$100,000	\$55,458.00
Auto Physical Damage	\$3,000,000	\$1,000,000	\$39,096.00
Auto Physical Damage	\$10,000,000	\$1,000,000	\$42,687.00
Auto Physical Damage	\$20,180,855	\$1,000,000	\$46,508.00

Coverage: Cyber Liability
Carrier: ACE American Insurance Company
Policy Period: 10/1/2020 to 10/1/2021

Form Number: PF-48169 (02/19)

COVERAGE	FORM TYPE	PENDING & PRIOR DATE
Third Party Liability - Cyber, Privacy And Network Security Liability, Payment Card Loss & Regulatory Proceedings	Claims Made	12/11/2014
Third Party Liability - Electronic, Social, and Printed Media Liability	Claims Made	12/11/2014

Defense Limitations:

COVERAGE TYPE	DEFENSE COST DOLLAR LIMIT	DEFENSE LIMIT	DEFENSE COST TYPE / COMMENTS
Cyber Liability	Applies		Other / Amounts Incurred as Claims Expenses Under This Policy Shall Reduce and May Exhaust the Applicable Limit of Insurance

Coverage:

DESCRIPTION	LIMIT TYPE	AMOUNT	BASIS
Maximum Single Limit of Insurance	Limit	\$5,000,000	
Maximum Policy Aggregate Limit of Insurance	Limit	\$5,000,000	
First Party Insuring Agreements:			
Cyber Incident Response Fund		Sidecar	Each Incident/Aggregate
-Cyber Incident Response Team	Limit	\$5,000,000	Each Incident
-Cyber Incident Response Team	Limit	\$5,000,000	Aggregate
-Non-Panel Response Provider	Limit	\$2,500,000	Each Incident
-Non-Panel Response Provider	Limit	\$2,500,000	Aggregate
Business Interruption Loss and Extra Expense	Limit	\$5,000,000	Each Incident
Business Interruption Loss and Extra Expense	Limit	\$5,000,000	Aggregate
Digital Data Recovery	Limit	\$5,000,000	Each Incident
Digital Data Recovery	Limit	\$5,000,000	Aggregate
Network Extortion	Limit	\$5,000,000	Each Incident
Network Extortion	Limit	\$5,000,000	Aggregate
Third Party Liability Insuring Agreements			
Cyber Privacy, Network and Security Liability	Limit	\$5,000,000	Each Claim
Cyber Privacy, Network and Security Liability	Limit	\$5,000,000	Aggregate
-Payment Card Loss	Limit	\$5,000,000	Each Claim
-Payment Card Loss	Limit	\$5,000,000	Aggregate

Coverage:

DESCRIPTION	LIMIT TYPE	AMOUNT	BASIS
-Regulatory Proceedings	Limit	\$5,000,000	Each Claim
-Regulatory Proceedings	Limit	\$5,000,000	Aggregate
Electronic, Social, and Printed Media Liability	Limit	\$5,000,000	Each Claim
Electronic, Social, and Printed Media Liability	Limit	\$5,000,000	Aggregate

Deductibles / Self-Insured Retention

TYPE	COVERAGE	AMOUNT
Retention	First Party Insuring Agreements:	
Retention	Cyber Incident Response Fund:	
Retention	-Cyber Incident Response Team - Each Incident	\$50,000
Retention	-Non-Panel Response Provider - Each Incident	\$50,000
Retention	-Non-Panel Response Provider - Cyber Incident Response Coach Retention	\$50,000
Retention	Business Interruption Loss and Extra Expenses - Each Incident	\$50,000
Deductible	Business Interruption Loss and Extra Expenses - Each Incident	Waiting Period: 10 Hours
Retention	Digital Data Recovery - Each Incident	\$50,000
Retention	Network Extortion - Each Incident	\$50,000
Retention	Third Party Liability Insuring Agreements:	
Retention	Cyber, Privacy And Network Security Liability - Each Claim	\$50,000
Retention	-Payment Card Loss - Each Claim	\$50,000
Retention	-Regulatory Proceedings - Each Claim	\$50,000
Retention	Electronic, Social And Printed Media Liability - Each Claim	\$50,000

Any Other Continuity or Specific Dates/Limits applicable to the Claims-Made Conditions:

COVERAGE	CONTINUITY DATE	LIMITS	CONDITIONS
Third Party Liability - Cyber, Privacy And Network Security Liability, Payment Card Loss & Regulatory Proceedings	--		
Third Party Liability - Electronic, Social, and Printed Media Liability	--		

Claims Made Coverage:

Should you elect to change carriers (if a new retroactive date is provided) or non-renew this policy, a supplemental extended reporting endorsement may be available subject to policy terms and conditions. You must request the extended reporting period in writing to the carrier within ([Days To Extend]) days of the expiration date. The cost of this extended reporting period is [Percent Cost]% of the annual premium and is fully earned. The extended reporting period extends only to those claims made during the extended reporting period for wrongful acts that occurred prior to the expiration date and would have been covered by the policy. Claims must be reported to the carrier within ([Days To Report]) days of the end of the policy period. The extended reporting period does not increase the limits of liability and is subject to all policy terms, conditions and exclusions.

Definition of Claim :

DESCRIPTION
Claim means:
1. Written Demand Against any Insured for Monetary Damages or Non-Monetary or Injunctive Relief;
2. Civil Proceeding Against any Insured Seeking Monetary Damages or Non-Monetary or Injunctive Relief, Commenced by the Service of a Complaint or Similar Pleading;
3. Arbitration, Mediation, Or Other Alternative Dispute Resolution Proceeding Against any Insured Seeking Monetary Damages or Non-Monetary or Injunctive Relief, Commenced by the Receipt of a Written Demand, Or Service of a Complaint or Similar Pleading;
4. Criminal Proceeding Against any Insured Commenced by: (a) an Arrest, Or (B) a Return of an Indictment, Information, Or Similar Document;
5. Written Request Directed at any Insured to Toll or Waive a Statute of Limitations Applicable to a Claim Referenced in Paragraphs 1-4 Immediately Above; Or
6. Regulatory Proceeding Against any Insured, Including, Where Applicable, Any Appeal Therefrom

Incident or Claim Reporting Provision:

REPORTING CONDITION TYPE	DESCRIPTION
	Refer to attached policy form

Run Off Provisions:

DESCRIPTION	PREMIUM AMOUNT	PREMIUM DUE DATE	LENGTH	% OF EXPIRING PREMIUM
Refer to attached policy form	--	--		--

Endorsements include, but are not limited to:

DESCRIPTION
Chubb Producer Compensation Practices & Policies - ALL-20887a (03/16)
Policyholder Notice Cyber Services for Loss Mitigation - PF-48260 (10/16)
Policyholder Notice Cyber Services for Incident Response - PF-48259 (02/19)
US Foreign Account Tax Compliance Act ("FATCA") - ALL-42490b (07/16)
U.S. Treasury Department's Office of Foreign Assets Control ("OFAC") Advisory Notice to Policyholders - PF-17914a (04/16)
Trade or Economic Sanctions Endorsement - PF-46422 (07/15)
CAP On Losses From Certified Acts Of Terrorism - PF-45354 (02/19)
Disclosure Pursuant To Terrorism Risk Insurance Act - TRIA11d (03/16)
Signatures - CC-1k11i (02/18)
Illinois Notice to Policyholders Regarding the Religious Freedom Protection and Civil Union Act - ALL-34772 (11/11)
Questions About Your Insurance? - ALL-18653d (07/14)
Policyholder Disclosure Notice Of Terrorism Insurance Coverage - TR-19606d (01/15)
CAP On Losses From Certified Acts Of Terrorism - PF-45354 (01/15)
Signatures - CC-1k11h (03/14)
Conduct Exclusion Amended – Final, Non-Appealable Adjudication - PF-49491IL (02/19)
Control Group Member Redefined – Variable - PF-48148 (09/16)

Endorsements include, but are not limited to:

DESCRIPTION
Additional Insured – Blanket Pursuant to a Contract – Cyber ERM - PF-48155 (02/19)
Preventative Shutdown n Endorsement - PF-49501 (02/19)
Period of Restoration - Fill In - PF-48160 (02/19)
Cyber Incident Response Fund Side-Car - PF-48258 (02/19)
Amendatory Endorsement – Illinois - PF-48296(02/19)
Forms Schedule - PF-48152 (09/16)

Binding Requirements:

DESCRIPTION
Subject to
-Completion of a New Biz App Within 60 Days of Effective Date
-Current Loss runs
-Update on Encryption (This are is Particularly Concerning and Needs to be Addressed for US to Bind Terms. We Need to Confirm that the Insured Has Encryption in Place, Or if not, How They are Protecting Their Sensitive Information) / Update on Encryption in Place (Does the Insured Encrypt Data at Rest, In Transit, And on Mobile Devices)
-Application Signed Within 30 Days from Effective Date

Other Significant Terms and Conditions/Restrictions:

DESCRIPTION
Third Party Liability - Cyber, Privacy And Network Security Liability, Payment Card Loss, Regulatory Proceedings & Electronic, Social, and Printed Media Liability: Retroactive Date - Full Prior Acts
Standard \$1M, \$3M and \$5M options priced to include SF B/CBI

Premium	\$55,810.00
ESTIMATED PROGRAM COST	\$55,810.00
TRIA/TRIPRA PREMIUM (+ Additional Surcharges, Taxes and Fees as applicable)	\$0.00

Optional Coverages:

DESCRIPTION	AMOUNT	DEDUCTIBLE / SELF-INSURED RETENTION	PREMIUM
Cyber Liability	\$1,000,000 (No SideCar, Includes CBI)	\$25,000	\$13,995.00
Cyber Liability	\$3,000,000	\$25,000	\$36,376.00
Cyber Liability	\$1,000,000 (per expiring)	\$25,000	\$13,596.00

Coverage: Excess Liability \$5M Excess of \$10M

Carrier: Evanston Insurance Company

Policy Period: 10/1/2020 to 10/1/2021

Form Type:

COVERAGE	FORM TYPE	RETROACTIVE DATE	PENDING & PRIOR DATE
Umbrella	Occurrence	Not Applicable	Not Applicable

Coverage:

DESCRIPTION	LIMIT TYPE	AMOUNT
Per Occurrence	Limit	\$5,000,000
Aggregate	Limit	\$5,000,000
Excess of		Underlying Insurance

Underlying Policies:

COVERAGE	DESCRIPTION	LIMIT	CARRIER NAME	EFFECTIVE DATE	EXPIRATION DATE
General Liability	Occurrence	\$10,000,000	AIX	10/1/2020	10/1/2021
General Liability	General Aggregate	\$10,000,000	AIX	10/1/2020	10/1/2021
Automobile Liability	Combined Single Limit	\$10,000,000	AIX	10/1/2020	10/1/2021
Employee Benefits Liability	Each Employee	\$10,000,000	AIX	10/1/2020	10/1/2021
Employee Benefits Liability	Aggregate	\$10,000,000	AIX	10/1/2020	10/1/2021
Other Liability - Law Enforcement	Occurrence	\$10,000,000	AIX	10/1/2020	10/1/2021
Other Liability - Law Enforcement	Aggregate	\$10,000,000	AIX	10/1/2020	10/1/2021
Other Liability - Sexual Abuse & Sexual Harassment	Occurrence	\$10,000,000	AIX	10/1/2020	10/1/2021
Other Liability - Sexual Abuse & Sexual Harassment	Aggregate	\$10,000,000	AIX	10/1/2020	10/1/2021
Other Liability - EPL	Occurrence	\$10,000,000	AIX	10/1/2020	10/1/2021
Other Liability - EPL	Aggregate	\$10,000,000	AIX	10/1/2020	10/1/2021

Endorsements include, but are not limited to:

DESCRIPTION
Policy Jacket - MJIL 1000 08 10
Privacy Notice - MPIL 1007 01 20
U.S. Treasury Department's Office Of Foreign Assets Control ("OFAC") Advisory Notice To Policyholders - MPIL 1083 04 15
Commercial Excess Liability Policy Declarations - MADUB 1000 04 17

Endorsements include, but are not limited to:

DESCRIPTION
Forms Schedule - MDIL 1001 08 11
Service Of Suit - MEIL 1200 02 20
Change - Civil Union - MEIL 1225 10 11
How To Report A Claim - MPIL 1041 02 20
If TRIA Accepted , following endorsement will apply : Confirmation Of Certified Acts Of Terrorism Coverage - Terrorism Risk Insurance Act - MUB TERR-1 01 15
Schedule Of Underlying Insurance - MADUB 1003 04 17
Commercial Excess Liability Policy - MAUB 0001 01 15
Expenses Included Within Limits - MAUB 1241 01 15
Unimpaired Aggregate Limit - MAUB 1243 04 17
Non-Drop Down Provision - MAUB 1255 01 15
25% Minimum Earned Premium (Excess) - MAUB 1264 04 17
Employee Benefits Liability Limitation - MAUB 1268 01 15
If TRIA Accepted , following endorsement will apply : Cap on Losses From Certified Acts of Terrorism - MAUB 1292 01 15
Trade or Economic Sanctions - MIL 1214 09 17
Municipal Amendatory Endorsement - Manuscript

Exclusions include, but are not limited to:

DESCRIPTION
Workers' Compensation, Auto No Fault, Uninsured/ Underinsured Motorists, Disability, and Unemployment Compensation Laws
Physical Damage to Property in Insured's Care, Custody, or Control
Exclusion - Prior Incidents And Prior Construction Defects - MAUB 1310 04 17
Exclusion - Computer Related And Other Electronic Problems - MAUB 1391 01 15
Exclusion - Damage To Property - MAUB 1615 01 15
Exclusion - Sublimited Underlying Coverage - MAUB 1618 04 17
Exclusion - Recording And Distribution Of Material Or Information In Violation Of Law - MAUB 1621 01 15
Exclusion - Fungi Or Bacteria - MAUB 1638 01 15
Exclusion - War Liability - MAUB 1666 01 15
Exclusion - Silica Or Mixed Dust - MAUB 1804 01 15
Exclusion - Unmanned Aircraft - MAUB 1822 04 17
Exclusion - Communicable Disease - MAUB 1309 03 20
Exclusion - Nuclear Energy Liability - MAUB 1355 01 15
Exclusion - ERISA - MAUB 1386 01 15
Exclusion - Lead - MAUB 1642 01 15
Exclusion - Auto No-Fault And Similar Laws - MAUB 1665 01 15

Exclusions include, but are not limited to:

DESCRIPTION
Exclusion - Pollution - MAUB 1678 01 15
Exclusion - Punitive Damages - MAUB 1692 01 15
Exclusion - Asbestos - MAUB 1813 01 15
Dams Exclusion - Manuscript
If TRIA Accepted , follow ing endorsement w ill apply : Exclusion - Punitive Damages Related To A Certified Act Of Terrorism - MAUB 1697 01 15
If TRIA Accepted , the follow ing endorsement w ill be removed : Confirmation Of Exclusion Of Certified Acts Of Terrorism Coverage - Terrorism Risk Insurance Act- MUB TERR-2 01 15
If TRIA Accepted , follow ing endorsement w ill be removed : Exclusion - Certified Acts of Terrorism - MAUB 1696 01 15

Binding Requirements:

DESCRIPTION
Subject To:
- Prior to binding: Receipt and UW review of all underlying quotes
- A signed Umbrella/Excess Acord 131 application or Acord 63 acknow ledging Fraud Statement w ithin 30 days of binding
- Signed application, including supplemental application if submitted, w ithin 30 days of binding
- A signed/dated copy of Terrorism Disclosure MKL TERR 4 is required to bind
- We require 5 years of currently valued insurance company loss runs confirming the loss information previously submitted w ithin 30 days of binding
- Projected net operating expenditures for the coming year.

Premium	\$76,600.00
ESTIMATED PROGRAM COST	\$76,600.00
Minimum Earned Premium -	25.00 %

Optional Coverages:

AMOUNT	OTHER	PREMIUM
\$1,000,000	Premium Excludes TRIA	\$18,300.00
\$2,000,000	Premium Excludes TRIA	\$33,400.00
\$3,000,000	Premium Excludes TRIA	\$48,600.00
\$4,000,000	Premium Excludes TRIA	\$63,700.00

Subject to Audit: Not Auditable

Coverage: Gallagher Crisis Protect (GCP)
Carrier: Underwriters at Lloyd's London
 American International Group, Inc
Policy Period: 10/1/2020 to 10/1/2021

Form Number:

COVERAGE	FORM TYPE	RETROACTIVE DATE
Gallagher Crisis Protect (GCP) (Tower 2 Only)	Claims Made	10/1/2019

Coverage:

DESCRIPTION	LIMIT TYPE	AMOUNT	BASIS
Tower 1: (First Party) - in respect of damage and/or financial loss resulting from an insured event(s) including sublimits in the aggregate as shown in appendix 1 and 2.	Limit	\$1,000,000	Any One Occurrence
Tower 2: (Third Party)		Maximum 15% of Tower 1 any one claim (See Appendix 1)	
Tower 3: (Consultant Costs)		See Appendix 1	

Deductibles / Self-Insured Retention

TYPE	COVERAGE	AMOUNT
Deductible	any one occurrence in respect of the insured event(s) of an act of terrorism and/or civil commotion and/or sabotage and/or vicious attack.	\$5,000
Deductible	in respect of threat from the insured event(s) of an act of terrorism and/or sabotage and/or vicious attack.	2 hours
Deductible	in respect of deprivation.	12 hours
Deductible	in respect of demolition, restitution and rebuild.	25% co-insurance
Deductible	any one occurrence in respect of vehicles relating to demolition, restitution and rebuild.	\$2,500
Deductible	In respect of sexual assault contained within assault this policy is to sit excess of any coverage recoverable via a workers compensation policy, general liability policy - Any One Occurrence	\$500,000

Any Other Continuity or Specific Dates/Limits applicable to the Claims-Made Conditions:

COVERAGE	CONTINUITY DATE	LIMITS	CONDITIONS
Gallagher Crisis Protect (GCP) (Tower 2 Only)	--		

Claims Made Coverage:

Should you elect to change carriers (if a new retroactive date is provided) or non-renew this policy, a supplemental extended reporting endorsement may be available subject to policy terms and conditions. You must request the extended reporting period in writing to the carrier within ([Days To Extend]) days of the expiration date. The cost of this extended reporting period is [Percent Cost]% of the annual premium and is fully earned. The extended reporting period extends only to those claims made during the extended reporting period for wrongful acts that occurred prior to the expiration date and would have been covered by

the policy. Claims must be reported to the carrier within ([Days To Report]) days of the end of the policy period. The extended reporting period does not increase the limits of liability and is subject to all policy terms, conditions and exclusions.

Definition of Claim:

DESCRIPTION
Refer to attached policy form

Incident or Claim Reporting Provision:

REPORTING CONDITION TYPE	DESCRIPTION
	Refer to attached policy form

Run Off Provisions:

DESCRIPTION	PREMIUM AMOUNT	PREMIUM DUE DATE	LENGTH	% OF EXPIRING PREMIUM
Refer to attached policy form	--	--		--

Additional Coverage:

DESCRIPTION	LIMIT TYPE	AMOUNT	BASIS
Sub-limit reductions/amendments from those shown Appendix 1 and 2:			
Ransom	Sublimit	\$1,000,000	Per Occurrence and in the Aggregate
In Transit/Delivery	Sublimit	\$1,000,000	Per Occurrence and in the Aggregate
Expenses	Sublimit	\$1,000,000	Per Occurrence and in the Aggregate
Judgments, Settlements and Defense Costs: in respect of the following insured events; Assault, Blackmail, Deprivation, Detention, Disappearance, Radicalization, Stalking, Threat, Extortion, Hijack, Hostage Crisis, Emergency Repatriation and Employee Dishonesty.	Sublimit	\$150,000	Anyone Claim and in the Aggregate

Binding Requirements:

DESCRIPTION
To proceed with cover you will need to inform us, in writing of:
Subject to Your acceptance of the quotation (outlining option chosen)
Subject to Satisfactory responses to any aforementioned subjectivities

Other Significant Terms and Conditions/Restrictions:

DESCRIPTION
Business of Insured: Municipality
Total Insured Values: \$205,204,466
Coverage:

Other Significant Terms and Conditions/Restrictions:

DESCRIPTION
Tow er 1:(First Party) - Act of Terrorism, Civil Commotion, Sabotage, Vicious Attack and additional insured events as detailed on page 4.
Tow er 2: (Third Party) - Judgement, Settlements & Defense Costs and additional insured events as detailed on page 4.
Tow er 3: (Consultant Costs) - Detention, Disapperance, Extortion, Hijack, Hostage and Kidnap and additional insured events as detailed on page 4.
Plus applicable taxes
Wording: Gallagher Crisis Protect – Maxi
Commission: 25% on 100% gross premium (split as expiry)
Additional Value: Up to 5% of total GCP premium could be used for pre incident services
Wholesaler: Arthur J. Gallagher (UK) Limited

Premium	\$42,750.00
ESTIMATED PROGRAM COST	\$42,750.00

Auditable Exposures:

DESCRIPTION	EXPOSURE
Population	74,000

Premium Summary

The estimated program cost for the options are outlined in the following table. Please note those proposed program premiums in **bold** are our recommended options.

LINE OF COVERAGE		EXPIRING PROGRAM		PROPOSED PROGRAM	
		CARRIER	EXPIRING COST	CARRIER	ESTIMATED COST
Package	Premium	AIX Specialty Insurance Company (Hanover Insurance Companies)	\$285,326.00	AIX Specialty Insurance Company (Hanover Insurance Companies)	\$267,589.00
Excess Property	Premium	Travelers Indemnity Company (The Travelers Companies, Inc.)	\$91,045.00	Travelers Excess and Surplus Lines Co (The Travelers Companies, Inc.)	\$85,409.00
Crime	Premium	National Union Fire Insurance Company of Pittsburgh PA (American International Group, Inc)	\$3,050.00 (\$500,000 limit)	National Union Fire Insurance Company of Pittsburgh PA (American International Group, Inc)	\$3,068.00 (\$500,000 limit)
Excess Crime	Premium	N/A		Hiscox Insurance Company Inc. (Hiscox Insurance Company (Guernsey) Ltd)	\$5,778.00 (\$1.5M Limit)
Auto Physical Damage	Premium	N/A		Hanover Insurance Company (\$100k Deductible)	\$50,714.00 (\$3M Limit) \$55,458.00 (\$10M Limit) \$60,349.00 (\$20M Limit)
Cyber Liability	Premium	ACE American Insurance Company (ACE Group)	\$12,123.00 (\$1M Limit)	ACE American Insurance Company (ACE Group)	\$13,596.00 (\$1M Limit) \$36,376.00 (\$3M Limit) \$55,810.00 (\$5M Limit)
Excess Workers Compensation	Premium	Liberty Mutual Insurance Company (Liberty Mutual Holding Company, Inc.)	\$600,542.00	Illinois Public Risk Fund	\$146,996.00

LINE OF COVERAGE		EXPIRING PROGRAM		PROPOSED PROGRAM	
		CARRIER	EXPIRING COST	CARRIER	ESTIMATED COST
Excess Liability \$5M Excess of \$10M	Premium	Evanston Insurance Company (Markel Corporation Group)	\$47,894.00 (\$5M Limit)	Evanston Insurance Company (Markel Corporation Group)	\$76,600.00 (\$5M Limit) \$64,700.00 (\$4M Limit) \$48,500.00 (\$3M Limit)
	Premium	Underwriters at Lloyd's London (Underwriters at Lloyd's London)	\$39,050.00 - -	Underwriters at Lloyd's London (Underwriters at Lloyd's London)	\$42,750.00
Broker Fee			\$65,000.00		\$67,000.00
Total Estimated Program Cost			\$1,144,030.00		\$811,349.00

Quote from **AIX Specialty Insurance Company (Hanover Insurance Companies)** is valid until **6/4/2020**

Quote from **National Union Fire Insurance Company of Pittsburgh PA (American International Group, Inc)** is valid until **7/14/2020**

Quote from **ACE American Insurance Company (ACE Group)** is valid until **11/30/2020**

Quote from **Evanston Insurance Company (Markel Corporation Group)** is valid until **10/1/2020**

Quote from **Travelers Excess and Surplus Lines Co (The Travelers Companies, Inc.)** is valid until **10/1/2020**

Quote from **Liberty Mutual Insurance Company (Liberty Mutual Holding Company, Inc.)** is valid until **10/1/2020**

Quote from **Underwriters at Lloyd's London (Underwriters at Lloyd's London), etc...** is valid until **10/1/2020**

Quote from **Hiscox Insurance Company Inc. (Hiscox Insurance Company (Guernsey) Ltd)** is valid until **8/28/2020**

Quote from **Hanover Insurance Company (Hanover Insurance Companies)** is valid until **10/1/2020**

Gallagher is responsible for the placement of the following lines of coverage:

- Package**
- Excess Property**
- Crime**
- Excess Crime**
- Auto Physical Damage**
- Cyber Liability**
- Excess Workers Compensation**
- Excess Liability \$3M Excess of \$10M**
- Gallagher Crisis Protect (GCP)**

It is understood that any other type of exposure/coverage is either self-insured or placed by another brokerage firm other than Gallagher. If you need help in placing other lines of coverage or covering other types of exposures, please contact your Gallagher representative.

Premium Financing

Arthur J. Gallagher is pleased to offer Premium Financing for our clients.

What is Premium Financing?

Premium financing is a short-term loan that provides premium payment flexibility. By financing, you have the option to spread out your premium payments instead of paying in full at the time of policy purchase or renewal.

Why Premium Financing May be Good for Your Business?

- May improve **capital and cash flow management** by spreading out premium payments over the policy period.
- Allows for **consolidation of** multiple policies into one premium finance agreement with a single monthly or quarterly payment.
- Provides automated **ACH options and flexible payment** terms.

Want to Learn More?

If you are interested in learning more or obtaining a quote, contact your Client Service Manager.

Payment Plans

CARRIER / PAYABLE CARRIER	LINE OF COVERAGE	PAYMENT SCHEDULE	PAYMENT METHOD
AIX Specialty Insurance Company (Hanover Insurance Companies)	Package	Premium is Payable in Two Equal Installments Due 10/1/2020 and 4/1/2021	Agency Bill
Travelers Excess and Surplus Lines Co (The Travelers Companies, Inc.)	Excess Property	Annual	Agency Bill
National Union Fire Insurance Company of Pittsburgh PA (American International Group, Inc)	Crime	Annual	Agency Bill
Hiscox Insurance Company Inc. (Hiscox Insurance Company (Guernsey) Ltd)	Excess Crime	Annual	Agency Bill
Hanover Insurance Company (Hanover Insurance Companies)	Auto Physical Damage	Annual	Agency Bill
ACE American Insurance Company (ACE Group)	Cyber Liability	Annual	Agency Bill
Illinois Public Risk Fund	Excess Workers Compensation	Annual	Agency Bill
Evanston Insurance Company (Market Corporation Group)	Excess Liability \$5M Excess of \$10M	Annual	Agency Bill
Underwriters at Lloyd's London (Underwriters at Lloyd's London)	Gallagher Crisis Protect (GCP)	Annual	Agency Bill

Carrier Ratings and Admitted Status

PROPOSED INSURANCE COMPANIES	A.M. BEST'S RATING & FINANCIAL SIZE CATEGORY *	ADMITTED/NON-ADMITTED **
ACE American Insurance Company	A++ XV	Admitted
AIX Specialty Insurance Company	A XV	Non-Admitted
Evanston Insurance Company	A XV	Non-Admitted
Hanover Insurance Company	A XV	Admitted
Hiscox Insurance Company Inc.	A XV	Admitted
National Union Fire Insurance Company of Pittsburgh PA	A XV	Admitted
Travelers Excess and Surplus Lines Co	A++ XV	Non-Admitted
Underwriters at Lloyd's London	A XV	Non-Admitted

*Gallagher companies use A.M. Best rated insurers and the rating listed above was verified on the date the proposal document was created.

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A Best's Financial Strength Rating is an independent opinion of an insurer's financial strength and ability to meet its ongoing insurance policy and contract obligations. It is not a warranty of a company's financial strength and ability to meet its obligations to policyholders. Best's Credit Ratings™ are under continuous review and subject to change and/or affirmation. For the latest Best's Credit Ratings™ and Guide to Best's Credit Ratings, visit the A.M. Best website at <http://www.ambest.com/ratings>.

**If coverage placed with a non-admitted carrier, it is doing business in the state as a surplus lines or non-admitted carrier, and is neither subject to the same regulations as an admitted carrier nor do they participate in any state insurance guarantee fund.

Gallagher companies make no representations and warranties concerning the solvency of any carrier, nor does it make any representation or warranty concerning the rating of the carrier which may change.

Proposal Disclosures

Proposal Disclosures

The following disclosures are hereby made a part of this proposal. Please review these disclosures prior to signing the Client Authorization to Bind or e-mail confirmation.

Proposal Disclaimer

IMPORTANT: The proposal and/or any executive summaries outline certain terms and conditions of the insurance proposed by the insurers, based on the information provided by your company. The insurance policies themselves must be read to fully understand the terms, coverages, exclusions, limitations and/or conditions of the actual policy contract of insurance. Policy forms will be made available upon request. We make no warranties with respect to policy limits or coverage considerations of the carrier.

Compensation Disclosure

1. Gallagher Companies are primarily compensated from the usual and customary commissions, fees or, where permitted, a combination of both, for brokerage and servicing of insurance policies, annuity contracts, guarantee contracts and surety bonds (collectively "insurance coverages") handled for a client's account, which may vary based on market conditions and the insurance product placed for the client.
2. In placing, renewing, consulting on or servicing your insurance coverages, Gallagher companies may participate in contingent and supplemental commission arrangements with intermediaries and insurance companies that provide for additional compensation if certain underwriting, profitability, volume or retention goals are achieved. Such goals are typically based on the total amount of certain insurance coverages placed by Gallagher with the insurance company, not on an individual policy basis. As a result, Gallagher may be considered to have an incentive to place your insurance coverages with a particular insurance company. If you do not wish to have your commercial insurance placement included in consideration for additional compensation, contact your producer or service team for an Opt-out form.
3. Gallagher Companies may receive investment income on fiduciary funds temporarily held by them, or from obtaining or generating premium finance quotes, unless prohibited by law.
4. Gallagher Companies may also access or have an ownership interest in other facilities, including wholesalers, reinsurance intermediaries, captive managers, underwriting managers and others that act as intermediaries for both Gallagher and other brokers in the insurance marketplace some of which may earn and retain customary brokerage commission and fees for their work.

If you have specific questions about any compensation received by Gallagher and its affiliates in relation to your insurance placements, please contact your Gallagher representative for more details.

In the event you wish to register a formal complaint regarding compensation Gallagher receives from insurers or third-parties, please contact Gallagher via e-mail at Compensation_Complaints@ajg.com or by regular mail at:

Chief Compliance Officer
Gallagher Global Brokerage
Arthur J. Gallagher & Co.
2850 Golf Rd.
Rolling Meadows, IL 60008

TRIA/TRIPRA Disclaimer

If this proposal contains options to purchase TRIA/TRIPRA coverage, the proposed TRIA/TRIPRA program may not cover all terrorism losses. While the amendments to TRIA eliminated the distinction between foreign and domestic acts of terrorism, a number of lines of coverage excluded under the amendments passed in 2005 remain excluded including commercial automobile, burglary and theft insurance; surety insurance, farm owners multiple perils and professional liability (although directors and officers liability is specifically included). If such excluded coverages are required, we recommend that you consider purchasing a separate terrorism policy. Please note that a separate terrorism policy for these excluded coverages may be necessary to satisfy loan covenants or other contractual obligations. TRIPRA includes a \$100 billion cap on insurers' aggregate liability.

The TRIPRA program increases the amount needed in total losses by \$20 million each calendar year before the TRIPRA program responds from the 2015 trigger of \$100 million to \$200 million by the year 2020.

TRIPRA is set to expire on December 31, 2020. There is no certainty of extension, thus the coverage provided by your insurers may or may not extend beyond December 31, 2020. In the event you have loan covenants or other contractual obligations requiring that TRIA/TRIPRA be maintained throughout the duration of your policy period, we recommend that a separate "Stand Alone" terrorism policy be purchased to satisfy those obligations.

Property Estimator Disclaimer

These property values were obtained using a desktop Property Estimator software operated by non-appraisal professionals. These property values represent general estimates which are not to be considered a certified appraisal. These property values include generalities and assumptions that may produce inaccurate values for specific structures.

Client Signature Requirements

Coverages for Consideration

Overview

- A proposal for any of the coverages can be provided.
- The recommendations and considerations summarized in this section are not intended to identify all exposures.
- Since Gallagher does not handle your complete insurance program, these recommendations only reflect items within our scope of responsibility.

Other Coverage Considerations

- Pollution Liability
- Increasing Excess Liability Limits

Client Authorization to Bind Coverage

After careful consideration of Gallagher's proposal dated 9/2/2020, we accept the following coverage(s). Please check the desired coverage(s) and note any coverage amendments below :

	COVERAGE/CARRIER	DESCRIPTION / MAJOR DIFFERENCES
<input type="checkbox"/> Accept <input type="checkbox"/> Reject	Package	
	AIX Specialty Insurance Company	
<input type="checkbox"/> Accept <input type="checkbox"/> Reject	<i>TRIA</i>	
<input type="checkbox"/> Accept <input type="checkbox"/> Reject	Excess Property	
	Travelers Excess and Surplus Lines Co	
<input type="checkbox"/> Accept <input type="checkbox"/> Reject	<i>TRIA</i>	
<input type="checkbox"/> Accept <input type="checkbox"/> Reject	Crime	
<input type="checkbox"/> Option # 1	National Union Fire Insurance Company of Pittsburgh PA – Premium: \$3,068	Expiring - \$500k Limit, \$5k Deductible
<input type="checkbox"/> Option # 2	National Union Fire Insurance Company of Pittsburgh PA - Premium: \$2,404	\$500k Limit, \$25k Deductible
<input type="checkbox"/> Option # 3	National Union Fire Insurance Company of Pittsburgh PA - Premium: \$2,043	\$500k Limit, \$50k Deductible
<input type="checkbox"/> Accept <input type="checkbox"/> Reject	Excess Crime	
	Hiscox Insurance Company Inc.	
<input type="checkbox"/> Accept <input type="checkbox"/> Reject	Auto Physical Damage	
<input type="checkbox"/> Option # 1	Hanover Insurance Company	\$100k Deductible, \$20M Limit (\$60,349.00)
<input type="checkbox"/> Option # 2	Hanover Insurance Company	\$100k Deductible, \$3M Limit (\$50,714.00)
<input type="checkbox"/> Option # 3	Hanover Insurance Company	\$100k Deductible, \$10M Limit (\$55,458.00)
<input type="checkbox"/> Option # 4	Hanover Insurance Company	\$1M Deductible, \$3M Limit (\$39,096.00)
<input type="checkbox"/> Option # 5	Hanover Insurance Company	\$1M Deductible, \$10M Limit (\$42,687.00)
<input type="checkbox"/> Option # 6	Hanover Insurance Company	\$1M Deductible, \$20M Limit (\$46,508.00)
<input type="checkbox"/> Accept <input type="checkbox"/> Reject	<i>TRIA</i>	
<input type="checkbox"/> Accept <input type="checkbox"/> Reject	Cyber Liability	
<input type="checkbox"/> Option # 1	ACE American Insurance Company	\$1,000,000 (as expiring)
<input type="checkbox"/> Option # 2	ACE American Insurance Company - Cyber Liability - Premium : \$13,995	Cyber Incident Response Fund - Non-Panel Response Provide Limit: \$500,000; Contingent Business Interruption Loss and Extra Expense - Unscheduled Providers Limit: \$1,000,000
<input type="checkbox"/> Option # 3	ACE American Insurance Company - Cyber Liability - Premium : \$36,376	Limit: \$3,000,000; Cyber Incident Response Fund - Non-Panel Response Provide Limit: \$1,500,000

	COVERAGE/CARRIER	DESCRIPTION / MAJOR DIFFERENCES
<input type="checkbox"/> Option # 4	ACE American Insurance Company - Cyber Liability - Premium : \$55,810	Limit: \$5,000,000; Cyber Incident Response Fund - Non-Panel Response Provide Limit: \$2,500,000; Retention: \$50,000
<input type="checkbox"/> Accept <input type="checkbox"/> Reject	TRIA	
<input type="checkbox"/> Accept <input type="checkbox"/> Reject	Excess Workers Compensation	
	Illinois Public Risk Fund	
<input type="checkbox"/> Accept <input type="checkbox"/> Reject	Excess Liability - Excess of \$10M	
<input type="checkbox"/> Option # 1	Evanston Insurance Company	\$5M x \$10M(\$76,600)
<input type="checkbox"/> Option # 2	Evanston Insurance Company	\$4M x \$10M(\$63,700)
<input type="checkbox"/> Option # 3	Evanston Insurance Company	\$3M x \$10M(\$48,600)
<input type="checkbox"/> Option # 4	Evanston Insurance Company	\$2M x \$10M(\$33,400)
<input type="checkbox"/> Option # 5	Evanston Insurance Company	\$1M x \$10M(\$18,300)
<input type="checkbox"/> Accept <input type="checkbox"/> Reject	TRIA	
<input type="checkbox"/> Accept <input type="checkbox"/> Reject	Gallagher Crisis Protect (GCP)	
	Underwriters at Lloyd's London	

The above coverage may not necessarily represent the entirety of available insurance products. If you are interested in pursuing additional coverages other than those addressed in the coverage considerations included in this proposal, please list below:

Producer/ Insured Coverage Amendments and Notes:

Exposures and Values

We confirm the payroll, values, schedules, and other data contained in the proposal, and submitted to the underwriters, are compiled from information provided by you and we acknowledge it is our responsibility to see that such information is updated and maintained accurately. For renewal policies, if no updates were provided to Gallagher, the values, exposures and operations used were based on the expiring policies.

Provide Quotations or Additional Information on the Following Coverage Considerations:

Gallagher recommends that you purchase the following additional coverages for which you have exposure. By rejecting a quotation for this valuable coverage, you understand that there will be no coverage and agree to hold Gallagher harmless in the event of a loss.

Other Coverages to Consider

- Yes No- Pollution Liability
- Yes No- Increasing Excess Liability Limits

Other Services to Consider

Yes No- **CORE360™** Loss Control Portal

Yes No- eRiskHub

Gallagher's liability to Client arising from any acts or omissions of Gallagher shall not exceed \$20 million in the aggregate. Gallagher shall only be liable for actual damages incurred by Client, and shall not be liable for any indirect, consequential or punitive damages or attorneys' fees. 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.

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/>.

I have read, understand and agree that the above information is correct and has been disclosed to us prior to authorizing Gallagher to bind coverage and/or provide services to us.

By: _____
Print Name (Specify Title)

Company

Signature

Date: _____

Appendix

Bindable Quotations & Compensation Disclosure Schedule

Client Name: City Of Decatur

COVERAGE(S)	CARRIER NAME(S)	WHOLESALE R, MGA, OR INTERMEDIARY NAME ¹	EST. ANNUAL PREMIUM ²	COMM.% OR FEE ³	GALLAGHER U.S. OWNED WHOLESALE R, MGA, OR INTERMEDIARY %
Package	AIX Specialty Insurance Company (Hanover Insurance Companies)	Risk Placement Services	\$275,458.00	0 %	11.5 %
Excess Property	Travelers Excess and Surplus Lines Co (The Travelers Companies, Inc.)	N/A	\$83,583.00	0 %	
Crime	National Union Fire Insurance Company of Pittsburgh PA (American International Group, Inc)	Risk Specialists Companies Insurance Agency, Inc. d/b/a RSCIA in NH, UT & VT	\$3,068.00	15 %	*
Excess Crime	Hiscox Insurance Company Inc. (Hiscox Insurance Company (Guernsey) Ltd)	N/A	\$5,778.00	15 %	
Auto Physical Damage	Hanover Insurance Company (Hanover Insurance Companies)	Risk Placement Services	\$60,349.00	0 %	11.5%
Cyber Liability	ACE American Insurance Company (ACE Group)	N/A	\$13,596.00	7.75 %	
Excess Workers Compensation	Illinois Public Risk Fund	N/A	--	--	--
Excess Liability \$3M Excess of \$10M	Evanston Insurance Company (Markel Corporation Group)	CRC Wholesale Group	\$48,600.00	10 %	*
Gallagher Crisis Protect (GCP)	Underwriters at Lloyd's London (Underwriters at Lloyd's London)	N/A	\$42,750.00	25 %	

COVERAGE(S)	CARRIER NAME(S)	WHOLESALE R, MGA, OR INTERMEDIARY NAME ¹	EST. ANNUAL PREMIUM ²	COMM.% OR FEE ³	GALLAGHER U.S. OWNED WHOLESALE R, MGA, OR INTERMEDIARY %
Broker Fee				\$67,000.00	

1 We were able to obtain more advantageous terms and conditions for you through an intermediary/ wholesaler.

2 If the premium is shown as an indication: The premium indicated is an estimate provided by the market. The actual premium and acceptance of the coverage requested will be determined by the market after a thorough review of the completed application.

* A verbal quotation was received from this carrier. We are awaiting a quotation in writing.

3 The commission rate is a percentage of annual premium excluding taxes & fees.

* Gallagher is receiving ___% commission on this policy. The fee due Gallagher will be reduced by the amount of the commissions received.

Binding Requirements

COVERAGE (ISSUING CARRIER)	BINDING REQUIREMENT
<p>Package AIX Specialty Insurance Company</p>	<p>Receipt and Acceptable Underwriter Review of the Latest Dam Inspection Report</p> <p>Signed TRIA Selection Form and Signed Application are Required at Binding (Acord 60 US (2015/01))</p> <p>Confirmation no Material Change in Exposures from Current Application.</p> <p>Confirmation Accumulated Surplus is Sufficient.</p>
<p>Crime National Union Fire Insurance Company of Pittsburgh PA</p>	<p>-Signed and dated application with updated employee counts</p> <p>-Confirmation of no notices of claims</p>
<p>Cyber Liability ACE American Insurance Company</p>	<p>-Update on Encryption (This are is Particularly Concerning and Needs to be Addressed for US to Bind Terms. We Need to Confirm that the Insured Has Encryption in Place, Or if not, How They are Protecting Their Sensitive Information) / Update on Encryption in Place (Does the Insured Encrypt Data at Rest, In Transit, And on Mobile Devices)</p> <p>-Application Signed Within 30 Days from Effective Date</p>
<p>Excess Liability \$5M Excess of \$10M Evanston Insurance Company</p>	<p>- A signed Umbrella/Excess Acord 131 application or Acord 63 acknowledging Fraud Statement within 30 days of binding</p> <p>- Signed application, including supplemental application if submitted, within 30 days of binding</p> <p>- A signed/dated copy of Terrorism Disclosure MKL TERR 4 is required to bind</p> <p>- Projected net operating expenditures for the coming year.</p>

Claims Reporting By Policy

Direct Reporting

Immediately report all claims for the following lines of coverage to the insurance carrier.

- For General Liability, Property, and Automobile claims report to:
 - TPA or Carrier Name: Gallagher Bassett Services, Inc.
 - By Mail – Address: P.O. Box 8009 2850 Golf Road Rolling Meadows, IL 60008
 - Phone - (800) 227-7391
 - By Fax: - (847) 240-6660

- Crime
 - National Union Fire Insurance Company of Pittsburgh, PA.
 - Phone#: 877-399-6442

 - Email: new_loss-usproperty&energy@aig.com

- Cyber claims report to:
 - ACE North America Claims
 - Mail – Address - P.O. Box 5122 Scranton, PA 18505
 - Fax: - (877) 395-0131
 - Email: - aceclaimsfirstnotice@acegroup.com

- Excess Liability claims report to:
 - Evanston Insurance Company
 - Mail – Address: - P.O. Box 2009 Glen Allen, VA 23058-2009
 - Fax: - (855) 662-7535
 - Phone: - (800) 362-7535
 - Email:- new_claims@markelcorp.com

- Gallagher Crisis Protect (GCP)
 - Phone#: 877-399-6442
 - Email: new_loss-usproperty&energy@aig.com

- Auto Physical Damage
 - Hanover Insurance Company
 - Phone# 800-628-0250
 - Email: firstreport@hanover.com

CORE360™

Loss Control Portal



Insurance | Risk Management | Consulting



CORE360™

Reduce Your Risk and Simplify Training

Safety training programs and educational materials for employees are critical for reducing accidents, increasing retention and minimizing your total cost of risk now and in the future.

Gallagher's CORE360™ **Loss Control Portal** is our proprietary Learning Management System (LMS) that supports your safety program, provides real time access to your loss control plans and keeps employees up to date with the latest safety standards.

Key benefits of CORE360™ Loss Control Portal:

- **Access** up to 10 modules of your choice from a library of over 100 training and safety shorts. In addition, monthly bulletins are available covering topics such as General and Environmental Safety, Human Resources, and Health and Wellness.
- **Save** valuable time by assigning employee training and monitoring their latest progress and completion.
- **Simplify** the process of training to stay in compliance and avoid costly penalties.
- **Onboard** and train an unlimited number of users while enhancing your overall risk control program.
- **Customize** your platform with your company's logo, training content and modules tailored to your business, and personalized procedures and forms for an added fee.

Most Popular Training Modules:

- Sexual Harassment and Discrimination
- Slip, Trip and Fall Training
- Electrical Safety Training
- Back Safety Training
- Bloodborne Pathogens
- Safe Lifting Practices
- Defensive Driving Basics
- Fire Prevention Basics
- Personal Protective Equipment
- GHS Hazard Communication



Please visit ajg.com/LossControlPortal to learn more.

Gallagher CORE360™ is our unique, comprehensive approach of evaluating your risk management program that leverages our analytical tools and diverse resources for customized, maximum impact on six cost drivers of your total cost of risk.



To access the Gallagher | eRiskHub® now:

1. Navigate to <https://eriskhub.com/gallagher>
2. Complete the new user registration at the bottom of the page. Choose your own user ID and password. The access code is 447597.
3. After registering, you can access the hub immediately using your newly created credentials in the member login box located at the top right of the page.

The Gallagher Way. Since 1927.

The information contained herein is offered as insurance industry guidance and provided as an overview of current market risks and available coverages and is intended for discussion purposes only. This publication is not intended to offer legal advice or client-specific risk management advice. Any description of insurance coverages is not meant to interpret specific coverages that your company may already have in place or that may be generally available. General insurance descriptions contained herein do not include complete insurance policy definitions, terms, and/or conditions, and should not be relied on for coverage interpretation. Actual insurance policies must always be consulted for full coverage details and analysis.

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Cyber Liability

eRiskHub® Overview and Login Information

The evolution of the cyber risk landscape has brought with it broad, sweeping regulations to address cybersecurity exposures. This digital transformation also presents new risks, including financial losses, for every industry. Gallagher's Cyber Practice delivers expertise alongside cyber risk management and insurance placement services, as well as a better way to construct risk management solutions. CORE360™ — our comprehensive approach of evaluating our client's risk management program — leverages our analytical tools and diverse resources for customized, maximum impact on six cost drivers of their total cost of risk. First, we consult with you to understand all of your actual and potential costs, then find the best options to reallocate these costs based on strategic actionable insights empowering you to know, control and minimize your total costs increasing profitability.

Additionally, our data-driven CORE360™ approach allows us to implement programs for your business that will increase safety, minimize losses, mitigate claims and proactively analyze your cyber risk posture.

Key Features of the Gallagher | eRiskHub®

- Gallagher Cyber Risk Due Diligence — A six-step process designed to walk clients through a simple, thought-provoking framework to encourage organizational communication, establish clear direction and highlight priorities to better understand your cyber risk profile.
- Risk Manager Tools — A collection of tools with many different purposes such as researching known breach events, calculating your potential cost of a breach event and downloading free sample policies your organization can use as templates.
- News Center — Keeps you up to date on what is going on in the world of cyber risk through handpicked articles, feeds and blogs.
- Learning Center — An extensive collection of white papers, articles, webinars, videos and blog posts on a variety of topics. (Looking for something specific? Try the search box at the top right of the page to search the entire Gallagher | eRiskHub®).
- Security & Privacy Training — An overview of best practices for creating an effective security training program for employees.
- Strategic Third-Party Relationships and Partner Resources — Information on third-party vendors that can assist your organization with improving your overall cyber risk.

As cyber risk evolves, so does our commitment to thought leadership. Our global cyber teams focus exclusively on cyber risk, and uniquely position Gallagher to share our knowledge, expertise and experience for the benefit of our clients.

If you have any questions about the Gallagher | eRiskHub®, please reach out to your broker.

Appended Documents



ILLINOIS PUBLIC RISK FUND

Cost Control Through Cooperation Since 1985

Insurance Proposal

for

City of Decatur

\$300,000 Deductible Per Claim

10/01/2020 through 10/01/2021

Code Number	Classification	Estimated Payroll	Rate Per \$100 Payroll	Premium
7520	Waterworks	\$ 2,218,142	\$ 0.365	\$ 8,096
7710	Firefighters	\$ 9,972,688	\$ 0.778	\$ 77,588
7720	Policeman	\$ 14,597,642	\$ 0.237	\$ 34,596
8380	Auto Repair	\$ 481,004	\$ 0.419	\$ 2,015
8810	Clerical	\$ 3,830,902	\$ 0.015	\$ 575
8820	Attorney	\$ 577,288	\$ 0.012	\$ 69
9101	School - All Other	\$ 777,155	\$ 0.381	\$ 2,961
9410	Municipal Employees	\$ 3,562,476	\$ 0.472	\$ 16,815
Subtotal:				\$ 142,715
3% Administrative Fee:				\$ 4,281
TOTAL:				\$ 146,996

Premium Payable:
12 Equal Monthly Installments

IPRF is pleased to include a **NEW BUSINESS SAFETY GRANT** in the amount of \$3,675. as part of our proposal.

Premium is fully earned

ILLINOIS PUBLIC RISK FUND
An Illinois Not-For-Profit Corporation
BY-LAWS

(As Amended and Restated to Be Effective February 26, 2018)

ARTICLE 1

Name and Address

Section 1.1 The name of this not-for-profit corporation shall be the ILLINOIS PUBLIC RISK FUND, hereinafter referred to as the "IPRF" or "Fund".

Section 1.2 The IPRF shall be a corporation organized under the laws of the State of Illinois, pursuant to the General Not for Profit Corporation Act of 1986, as amended (805 ILCS 105/101.1 *et seq.*).

Section 1.3 The registered office of the IPRF shall be in the City of Naperville, County of DuPage, State of Illinois, or at such other place as may be designated by the Fund's Board of Trustees.

ARTICLE II

Purpose

The purpose of the Fund is to establish an intergovernmental joint insurance pool providing for the defense and payment when due of all compensation and other benefits under the Illinois Workers' Compensation Act and the Illinois Workers' Occupational Diseases Act (hereinafter referred to as the "Workers' Compensation Laws"), on behalf of "public agency members," as such term is defined by section 6 of the Illinois Intergovernmental Cooperation Act (5 ILCS 220/6), and other units of local government and public entities within the State of Illinois which may become eligible for membership from time to time according to the Intergovernmental Cooperation Act, or Article VII, Section 10 of the Illinois Constitution of 1970.

ARTICLE III

Membership

Section 3.1 The Fund shall have one class of members (individually referred to herein as a "Member" and collectively as the "Members"). To be eligible for membership, applicants must qualify as "public agency members" as such term is defined by section 6 of the Illinois Intergovernmental Cooperation Act (5 ILCS 220/6), or as other units of local government and public entities within the State of Illinois, which may become eligible for membership from time to time according to the Intergovernmental Cooperation Act, or Article VII, Section 10 of the Illinois Constitution of 1970, and must:

- (a) File with the IPRF through its Marketing Agent, consultants, or other duly authorized persons as may be designated by the Fund from time to time, the applications, questionnaires, and other materials required by the Board of Trustees and the Fund's insurers and reinsurers;
- (b) Be qualified, approved, and accepted for membership by the IPRF and the Fund's insurers and reinsurers;

(c) Execute the IPRF's Pooling Agreement, constituting an intergovernmental agreement or contract under the Intergovernmental Cooperation Act, acknowledging the applicant's intent to jointly self-insure and participate in a joint insurance pool, and also indicating the applicant's promise of prompt, full, and complete compliance with these By-Laws and with the provisions of the Fund's guarantees of coverage, indemnity, and defense to claims under the Workers' Compensation Laws for and on behalf of all of the public agencies who are now or may hereafter become Members of the Fund;

(d) Execute any and all agreements and documents as may be necessary or required by the IPRF, its Board of Trustees, employees, contractors, consultants, agents, and representatives including, but not limited to, the Fund's Marketing Agent, the Fund Administration or Fund Administrator, the Fund Accountant, and the Fund's insurers and reinsurers; and, such other agreements and documents as may be necessary or required by governmental agencies, including the Illinois Workers' Compensation Commission;

(e) Submit to audits, examinations, and inspections by the IPRF and its duly authorized employees, contractors, consultants, agents, and representatives; provided, however, that neither the right to conduct audits, examinations, and inspections, nor the conducting and making thereof, nor any report thereon, shall constitute a duty or undertaking on behalf or for the benefit of any applicant, Member, or third party to determine or warrant that such records, things, and places audited, examined, or inspected are in compliance with any law, statute, rule, regulation, ordinance, code, or standard, or are not hazardous to the health or safety of any person; and

(f) Demonstrate a serious commitment to intergovernmental cooperation, and to loss control, accident prevention, safety, and risk reduction.

Section 3.2 Upon the filing of an application for membership in the Fund and related documents, the IPRF, through procedures and personnel acceptable to its Board of Trustees, shall investigate the applicant to assure that only duly qualified and financially sound Illinois public agencies, employing generally accepted accounting and financial practices, and demonstrating good safety records, practices, and programs, become Members of the Fund.

Section 3.3 Upon approval of an application for membership in the IPRF by the Fund's Board of Trustees or their duly authorized representatives, the applicant will be admitted to membership in the Fund and shall continue as a Member of the Fund unless and until such membership is terminated as hereinafter provided. No membership certificate of the Fund shall be required. Membership in the IPRF is not transferable or assignable, and no applicant shall become a Member without first being approved, accepted, and admitted by the Fund's Board of Trustees or their duly authorized representatives.

Section 3.4 In consideration of the rights, privileges, and benefits of IPRF membership, the Member agrees and consents that it may be sued by the Fund in any Illinois court having jurisdiction for any premiums, assessments, contributions, debts, penalties, or other monies that are not paid to the Fund on the due date thereof, including, but not limited to, all reasonable attorneys' fees, expenses, and costs incurred by the Fund in the collection process through litigation, arbitration, or otherwise. Each Member further specifically agrees, consents, and submits to the jurisdiction, venue, and service of process of the Circuit Court of DuPage County, Illinois.

Members agree to indemnify, defend and hold harmless the IPRF, to the fullest extent authorized or permitted by law, against any and all claims, demands, causes of action, expenses (including attorney's fees), damages, judgments, fines and amounts paid that IPRF becomes legally obligated to pay because of any claim or claims made against any Member by reason of the Member's intentional violation of any applicable law, rule, regulation, court order, or any breach (whether intentional or otherwise) of any term, provision or agreement of either the Pooling Agreement executed by and between IPRF and the Member, or the IPRF's By-Laws. The Member's responsibility to indemnify, defend and hold harmless IPRF shall continue beyond the Member's membership in the Fund so long as the IPRF shall be subject to any possible claim or threatened, pending or completed action, suit or proceeding, whether civil, criminal, arbitrational, administrative or investigative, by reason of the acts and/or omissions to act by the Member, or any of its agents, officers, employees or assigns.

ARTICLE IV **Board of Trustees**

Section 4.1 The affairs of the IPRF shall be managed by or under the direction of its Board of Trustees. The number of Trustees which shall constitute the whole board shall be five (5). The Board of Trustees shall be divided into two classes. Class I shall consist of two Trustees who, if the Fund has appointed a Marketing Agent, shall be representatives of such Marketing Agent. The Trustees of Class I shall be nominated and elected for a term of five (5) years. Class II shall consist of three Trustees who shall be nominated and elected for a term of three (3) years. Thereafter, as the Class I Trustees' respective terms of office expire, their successors shall be elected for a term of five (5) years, and as the Class II Trustees' respective terms of office expire, their successors shall be elected for a term of three (3) years. All Trustees shall hold office for the term for which they were elected and until their successors are elected and qualified. If the number of Trustees is changed, then any increase or decrease shall be apportioned among the classes so as to maintain or attain, if possible, the equality of the number of Trustees in each class, but in no case will a decrease in the number of Trustees shorten the term of any incumbent Trustee.

Section 4.2 The Board of Trustees shall be vested with all powers necessary to properly manage and direct the affairs of the IPRF, including, but not limited to, the power, as may be deemed necessary by the Board of Trustees in its full and complete discretion, to:

- (a) Provide for the efficient administration of claims by either employing or contracting for the services of an independent third party claims administrator (the "Fund Claims Administrator" or "Fund Administrator"), or by employing or contracting for the services of claims administration personnel or staff (the "Fund Claims Administration" or "Fund Administration"). The Fund Administrator or Fund Administration, as the case may be, shall have the responsibilities for claims processing and administration; the investigation and adjustment of claims; the management and reporting of claims; compensation, claims, and benefits payments; and, risk data management and reports, including the establishing and monitoring of reserves and serving as attorney-in-fact, among other duties as may be authorized, directed, or delegated from time to time by the Board of Trustees;
- (b) Provide or contract for safety and loss control programs and services for the benefit of the Fund and its Members;

- (c) Employ or contract for the services of an independent accountant (the "Fund Accountant") who, at the direction of the Board of Trustees and the Treasurer, shall be responsible for IPRF's day-to-day financial matters, including the collection of Members' current, past due, and delinquent accounts, premiums, contributions, assessments, and penalties; the keeping and maintenance of the Fund's financial records, statements, reports, and books of account; and, the satisfaction and payment of the Fund's bills, debts, and other financial obligations;
- (d) Employ or contract for the services of an independent, fiduciary investment advisor (the "Fund Advisor"), if deemed necessary by the IPRF's Board of Trustees, to provide advice and management concerning the Fund's assets and investments in accordance with the purposes and investment guidelines established by the IPRF, the Intergovernmental Cooperation Act, and all other applicable duties and standards created by law, regulation, or resolution of the Board of Trustees;
- (e) Employ an exclusive Marketing Agent who shall be responsible for the promotion and marketing of the Fund, and its program and services;
- (f) Authorize and direct the Fund Accountant and the Marketing Agent in the collection of delinquent accounts resulting from any unpaid premiums, contributions, assessments, or penalties;
- (g) Cause each Member to execute a Pooling Agreement governing, among other matters and things, the liability of all Members for claims against the Fund;
- (h) Obtain excess reinsurance coverage, along with errors and omissions liability (E&O) and directors and officers (D&O) liability coverages for the Fund's Board of Trustees, officers, and employees with insurance companies acceptable to the Board of Trustees, and in amounts considered reasonably adequate to cover the liabilities of the Fund, its Board of Trustees, officers, and employees, and to keep and maintain such insurance policy coverages in full force and effect at all times along with such other insurance coverages as the Board of Trustees may determine to be reasonably prudent and necessary to protect the Fund and its assets; and, to procure and maintain a fidelity bond covering the IPRF's Board of Trustees, individually and collectively, the Fund Treasurer, the Fund Accountant, and any other person required by law or deemed appropriate by the Board of Trustees, having any responsibility respecting the IPRF's monies and securities, in an amount sufficient to protect the Fund against loss, misappropriation, or misuse of any monies or securities;
- (i) Set standards for the admission of Members to the Fund which shall include such requirements, guidelines, and precautions as the Board of Trustees from time to time shall deem to be reasonable and appropriate to promote the safe, prudent, proper, and responsible operation of the Fund, for the benefit of duly qualified and financially suitable Members that are seriously committed to sound safety practices, risk management, and loss control programs; and
- (j) Employ or contract for the services of such other persons, parties, providers, vendors, or consultants as the Board of Trustees may from time to time deem reasonably necessary or desirable to carry out the purposes of the Fund and to assure the continuous, efficient, and cost-effective operation of its programs.

Section 4.3 A Trustee may resign at any time upon written notice to the Board of Trustees. Any Trustee may be removed from office at any time, but only for cause, by the affirmative vote of a majority of the entire Board of Trustees.

Section 4.4 Whenever any vacancy shall occur on the Board of Trustees by reason of death, incapacity, resignation, removal, or otherwise, a majority of the Trustees then in office, though less than a quorum, may fill such vacancy or vacancies at any meeting, and the person so elected shall be a Trustee until his or her successor is elected by the Board of Trustees at an annual meeting, or at any special meeting of the Board of Trustees duly called for that specific purpose, and shall qualify. The resignation of a Trustee shall be effective upon receipt of the written notice thereof by the Chairman of the Board of Trustees, or at a subsequent time as set forth in the notice of resignation.

Section 4.5 Subject to any specific limitation or restriction imposed by law or by these By-Laws, the Board of Trustees is authorized to direct, by appropriate action, the carrying out of the IPRF's purposes as set forth in these By-Laws, and to exercise all of the powers of the Board of Trustees or directors provided by law and these By-Laws, and any and all persons and parties dealing with the Fund shall have the right to rely upon any action taken pursuant to authority of the Board of Trustees.

ARTICLE V

Officers

Section 5.1 The officers of the Fund shall be a Chairman of the Board of Trustees, a President, a Secretary, a Treasurer, and such other officers as may be elected or appointed by the Board of Trustees. Officers whose authority and duties are not defined in these By-Laws shall have the authority and perform the duties prescribed and directed, from time to time, by the Board of Trustees. Any two or more offices may be held by the same person.

Section 5.2 The officers of the Fund shall be elected annually by the Board of Trustees at the first regular meeting of the Board of Trustees of each fiscal year. Officers must be Members of the Board of Trustees. If the election of officers shall not be held at such meeting, then such election shall be held as soon thereafter as conveniently may be. Vacancies may be filled and new offices created and filled, at any meeting of the Board of Trustees. Each officer shall hold office until his or her successor shall have been duly elected and qualified, or until his or her death, or until he or she shall resign or shall have been removed in the manner hereinafter provided. Election of an officer shall not of itself create contract rights.

Section 5.3 Any officer elected or appointed by the Board of Trustees may be removed by the Board of Trustees whenever, in its judgment, the best interests of the Fund would be served thereby.

Section 5.4 The Chairman of the Board of Trustees shall preside at all meetings of the Members and of the Board of Trustees, shall discharge all duties incident to the office of Chairman of the Board of Trustees, and shall perform all other duties as may be prescribed by the Board of Trustees.

Section 5.5 The President shall assist the Chairman in the discharge of his or her duties as the Chairman may direct, and shall perform such other duties as from time to time may be assigned to him or her by the Chairman or the Board of Trustees. In the absence of the Chairman, or in the event of his or her inability or refusal to act, the President shall perform the

duties of the Chairman, and when so acting, shall have all the powers of and be subject to all the restrictions upon the Chairman.

Section 5.6 The Secretary shall (a) record the minutes of any and all meetings of the Members and of the Board of Trustees in one or more books provided for that purpose; (b) see that any notices are duly given in accordance with the provisions of these By-Laws or as required by law; (c) be a custodian of the corporate records; and, (d) perform all duties incident to the office of secretary and such other duties as from time to time may be assigned to him or her by the Chairman or by the Board of Trustees.

Section 5.7 The Treasurer shall keep, or cause to be kept by the Fund Accountant, a record of all the Members participating in the Fund, and shall keep, or cause to be kept by the Fund Accountant, a ledger account of the premiums, contributions, and assessments, and shall bill or invoice, or cause to be billed or invoiced, the Members when any such amounts are due and payable to the IPRF. The Treasurer shall also be responsible for all monies paid to and collected by the Fund, and shall be responsible for administering the timely collections from each Member of the premiums, contributions, and assessments established by the Board of Trustees. The Treasurer may, with approval of the Board of Trustees, (a) engage outside financial and accounting services to assist him or her in discharging all or part of his or her duties; (b) direct the Fund Accountant to collect Members' current and delinquent accounts, premiums, contributions, assessments, and penalties; and, (c) enter into contracts and fiduciary agreements as necessary to protect the assets of the IPRF and further the Fund's purposes.

Section 5.8 The Treasurer shall prepare and forward or cause to be prepared and forwarded to the Board of Trustees and to the Members upon request, no later than sixty (60) days after the end of each annual fiscal reporting period of the Fund (the "Fund Year"), a financial accounting showing the balance in the Fund's accounts at the end of the Fund Year, current period contributions, and the amount and nature of all investments and payments, including a separate accounting for claims, management, legal and accounting expenses, claims paid, and the Fund balance.

ARTICLE VI

Meetings of the Board of Trustees

Section 6.1 The annual meeting of the Board of Trustees shall be held during the month of March in each calendar year, at the principal office of the Fund or other such place as may be designated by the Board of Trustees, for the purpose of electing Trustees, in the event that there is a vacancy on the Board of Trustees or the term of any class of Trustees has expired, and for the transaction of such other business as may properly be brought before the meeting.

Section 6.2 The Chairman or any two (2) or more Trustees may call a special meeting of the Board of Trustees at any time, to be held at the principal office of the Fund, or at such other place within the State of Illinois as the person or persons calling the meeting shall designate.

Section 6.3 Notice of the time, place, and purpose of all meetings of the Board of Trustees shall be provided to each Trustee by the Chairman of the Board of Trustees, or his designee, not less than five (5) nor more than thirty (30) days before the meeting. Meetings of the Board may be held on less than five (5) days' notice if consented to by any four (4) or more Trustees. Whenever any notice is required by this Section, a waiver thereof in writing, signed by the person or persons entitled to such notice, and sent or delivered by them before the holding of

the meeting by mail, express delivery, facsimile, other electronic means, or personally shall be deemed equivalent to the giving of such notice.

Section 6.4 Four (4) Members of the Board of Trustees shall constitute a quorum for the transaction of business, and the action of a majority of the Trustees present at a meeting at which a quorum is present shall be the act of the Board of Trustees, except actions by a majority or greater number of the Trustees then in office may be specifically required by other sections of these By-Laws. If there shall be less than a quorum present at any meeting of the Board of Trustees, then a majority of those present may adjourn the meeting from time to time until a quorum is present.

Section 6.5 Trustees may participate in and act at any meeting of the Board of Trustees through the use of a conference telephone or other communications equipment by means of which all persons participating in the meeting can communicate with each other. Participation in a meeting by such means shall constitute attendance and presence in person at such meeting.

Section 6.6 Unless otherwise restricted by the Articles of Incorporation or these By-Laws, any action required or permitted to be taken at a meeting of the Board of Trustees may be taken without a meeting if all members of the Board consent thereto in writing and the writing is filed with the minutes of proceedings of the IPRF Board of Trustees.

Section 6.7 The Board of Trustees, by the affirmative vote of Trustees then in office and irrespective of any personal interest of any Trustee, shall have the authority to establish reasonable compensation for all Trustees for services to the Fund as directors, officers, or otherwise notwithstanding any Trustee's conflict of interest. By resolution of the Board of Trustees, Trustees may be paid their expenses, if any, of attendance at each meeting of the Board of Trustees or any Committee thereof. No such payment shall preclude any Trustee from serving the Fund in any other capacity and receiving reasonable compensation therefor. The salaries and other compensation of the officers and employees of the IPRF, if any, shall be fixed from time to time by the Board of Trustees, and no officer or employee of the IPRF shall be prevented from receiving such salary or other compensation by reason of the fact that he or she is also a Trustee.

Section 6.8 The Board of Trustees, by resolution adopted by a majority of the Trustees in office, may designate one or more Committees, each of which will consist of two (2) or more Trustees and such other person or persons as the Board of Trustees shall designate, provided that the majority of each Committee's membership shall be Trustees. The Committees, to the extent provided for by the Board of Trustees and not restricted by law, shall have and exercise the authority of the Board of Trustees in the management of the IPRF, but the establishment of Committees and the delegation thereto of authority shall not operate to relieve the Board of Trustees, or any individual Trustee, of any duty or responsibility imposed by law. Committee members shall be designated by the Board of Trustees at the annual meeting of the Board of Trustees. If the designation of Committee members shall not take place at such annual meeting, then the designation shall take place as soon thereafter as conveniently may be. Vacancies on Committees may be filled, and new positions created and filled, at any meeting of the Board of Trustees. Each Committee member shall keep and maintain his or her Committee membership until his or her successor shall have been duly appointed and qualified, or until his or her death, or until he or she shall resign, or shall have been removed by the Board of Trustees.

ARTICLE VII
Membership Meetings

Section 7.1 The annual meeting of the Members of the Fund may be held immediately following and at the same place as the annual meeting of the Board of Trustees, or as may be provided by resolution of the Board of Trustees, for the transaction of such business as may properly be brought before the meeting.

Section 7.2 Special meetings of the Members may be called by the Chairman of the Board of Trustees, by the Board of Trustees, or by not less than fifty percent (50%) of the Members of the Fund.

Section 7.3 Notice stating the place, day, and hour of the meeting, and in the case of a special meeting, the purpose or purposes for which the meeting is being called, shall be given not less than five (5) nor more than sixty (60) days before the date of the meeting.

Section 7.4 A majority of the current membership shall constitute a quorum at all meetings of the membership of the Fund.

Section 7.5 Each Member shall be entitled to one vote upon each matter submitted by the Board of Trustees to a vote at a meeting of Members; provided, however, that Members shall have no right to vote for the election of or removal of any Trustee of the Board of Trustees.

Section 7.6 Meetings of the membership of the Fund shall be presided over by the duly elected Chairman of the Board of Trustees, or in his or her absence by the President. The Secretary of the Board of Trustees shall act as Secretary of the meeting. All questions shall be decided by the vote of a majority of the Members present and voting at the meeting unless otherwise provided by law or these By-Laws.

ARTICLE VIII
Termination of Membership

Section 8.1 The IPRF by action of its Board of Trustees may cancel or terminate the membership of any Member at any time for reasons that include, but are not limited to, the following:

- (a) When the Member fails to pay the premium, contribution, assessment, or other amounts due and payable to the Fund in full;
- (b) When the Member fails to cooperate with the Fund, or with any of its Trustees, Marketing Agent, officers, employees, contractors, or agents, in regards to audits, payments, financial and claims reporting, safety, loss control, and prevention, or any other subject having to do or connected in any way with the operations and purposes of the IPRF as determined by the Board of Trustees in its sole discretion;
- (c) When the Member fails to carry out the recommendations of any safety, loss control, or prevention survey, inspection, or examination, or fails to adhere to generally accepted accounting or financial practices, or fails to follow the IPRF's safety, loss control, risk prevention, or claims reduction standards, policies, or programs as determined by the Board of Trustees in its sole discretion;

(d) When the Member fails to meet the membership eligibility requirements set forth in Article III above, as determined at any time by the Board of Trustees in its sole discretion; or

(e) When the Member engages in conduct detrimental to the integrity, stability, or strength of the IPRF or any of its programs as determined by the Board of Trustees in its sole discretion.

Section 8.2 After the initial 1-year term of required IPRF membership, a Member may resign from membership in the Fund at any time, subject to the requirements and upon the terms set forth in Section 8.3 below.

Section 8.3 The date on which a Member ceases to be a Member of the Fund shall be determined according to this Section 8.3, as follows:

(a) In the event the Fund terminates a Member for any of the reasons set forth in paragraphs (a) through (e) of Section 8.1, then such Member shall cease to be a Member of the Fund on the thirtieth (30th) day after the Fund gives the Member notice (delivered electronically or by certified or registered mail) of such termination, unless within such thirty (30)-day period, the reasons for the Member's termination are corrected or cured, as the case may be, to the full and complete satisfaction of the IPRF as determined by the Board of Trustees in its sole discretion.

(b) In the event a Member elects to resign from the Fund, then it shall give written notice to the IPRF's Board of Trustees of its intent to resign, and such resignation shall take effect no sooner than ninety (90) days from the date such notice is given. **REGARDLESS OF THE EFFECTIVE DATE OF ANY MEMBER'S VOLUNTARY OR INVOLUNTARY TERMINATION OF MEMBERSHIP IN THE FUND, PAID PREMIUMS WILL NOT BE REFUNDED OR PRO-RATED.** The ninety (90) day written notice required by this section shall be given, at least, 90 days prior to the expiration of the Member's then-current term. It is paramount for the Fund to receive the written notice required by this section ninety (90) days in advance of the end of the withdrawing Member's term because the Fund must know which of its Members are covered on an annual basis. The Fund cannot carve out shortened timeframes for members who terminate on any lesser amount of time as such shortened termination timeframes may lead to ambiguities in coverage.

(c) A Member's written notice tentatively terminating such Member's membership must be rescinded, if at all, by subsequent written notice received by the IPRF no later than the final day of the then-current policy term. If the tentative termination is not rescinded, the Member's membership in the IPRF will be terminated as of 11:59 PM on the final day of the Member's then-current term. If the Member does timely rescind its tentative termination as provided in this paragraph, such Member's membership shall be renewed in the ordinary course, with no interruption in coverage.

Section 8.4 No liability shall accrue to the IPRF, its Members, or any of them on account of any claim arising out of any accident, injury, exposure, disability, or disablement occurring or manifesting itself after the date on which the responsible employing Member ceases to be a Member of the Fund by operation of Section 8.3 above.

Section 8.5 Any Member whose IPRF membership is terminated by reason of any act or omission set forth in Section 8.1 of this Article shall only have such right or interest to any excess final premiums or contributions, whether or not previously declared to be payable by the Fund, determined after the date on which the Member ceases to be a member of the Fund using the Member's actual, audited payroll remuneration and the applicable classifications and rates; and, such right to a refund of unearned premiums or contributions shall be determined by the Board of Trustees in its sole discretion.

Section 8.6 A former Member of the Fund may seek reinstatement of its membership in the IPRF, but only by filing a new application for membership with the Fund, meeting all the requirements of a new applicant as set forth in these By-Laws, and by paying in full and in advance any and all such former Member's past due accounts for unpaid and delinquent premiums, contributions, debts, assessments, and penalties, including all reasonable attorney's fees and other costs and expenses incurred by the Fund in pursuing the collection process through litigation, arbitration, or otherwise, if any.

Section 8.7 The IPRF may elect, in the sole discretion of its Board of Trustees, not to renew the membership of any Member at the end of the applicable Fund year or coverage period upon written notice of cancellation or non-renewal sent to the Member.

ARTICLE IX

Premiums and Finances

Section 9.1 All premiums, contributions, assessments, charges, or other amounts payable, as determined by the Board of Trustees in its sole discretion, shall be paid promptly by each Member to the Fund or the Fund Accountant when due. The Board of Trustees shall have custody and control over the assets of the Fund.

Section 9.2 All premium or contribution rates, discounts and credits, and the amounts thereof if any, shall be determined by the Board of Trustees in its sole discretion. At the end of every Fund Year or coverage period, each Member's financial, payroll, and tax records shall be examined by the Fund to determine the actual or final premium or contribution amount due for the Fund Year or coverage period then concluded.

Section 9.3 The Trustees shall open and maintain such accounts as they deem necessary for the operation of the Fund in accordance with established financial, accounting, and investment guidelines and principals.

Section 9.4 Advance premium discounts may be offered to Members on an individual basis and in amounts to be determined in the sole discretion of the Board of Trustees.

Section 9.5 Any surplus monies for a Fund Year in excess of the amounts necessary to fulfill all obligations of the Fund under the laws of Illinois and to satisfy all Fund expenses for that fiscal or coverage year may be refunded to IPRF Members on a pro rata basis at such times and under such terms, conditions, and provisions as agreed to and determined by the Board of Trustees in its sole discretion. Eligibility to receive the discretionary pro rata refund or "dividend" described in this Section shall be limited to only those Members who were both (a) members of the Fund for the full duration of the fiscal year or Fund Year for which a surplus exists for distribution as determined by the Board of Trustees in its sole discretion, and (b) whose membership is deemed to be in good standing by the Board of Trustees without withdrawal, resignation, notice of resignation, or cause for termination under Article VIII of these By-Laws or

the Pooling Agreement on both the date a refund or dividend is declared and the record date of payment.

Section 9.6 Each Member of the Fund shall pay the full amount of its premium, contribution, assessment, or other cost of membership within thirty (30) days of the date of the IPRF's invoice or statement. The IPRF and its Board of Trustees are without authority to extend credit to any Member of the Fund. The IPRF by action of its Board of Trustees in its full and complete discretion, however, may adopt regular payment plans or schedules for the payment of a Member's annual premium or contribution. The failure to pay premiums, contributions, assessments, or other costs shall subject the Member to dismissal or termination from the Fund as provided in Article VIII of these By-Laws.

ARTICLE X

Fund Claims Administration

Section 10.1 The Board of Trustees shall provide for the administration, handling, and adjustment of claims by either contracting for such claims management services from an independent third-party claims administrator or by employing claims administration personnel directly or indirectly. In either case, the party or persons performing claims administration services shall be known as the Fund Administrator having such duties and responsibilities as the Board of Trustees may from time to time direct or delegate.

Section 10.2 The Fund Administrator, Fund Accountant, Fund Advisor, Marketing Agent, and any other IPRF employee, contractor, vendor, consultant, agent, or representative, upon invitation of the Chairman of the Board of Trustees, shall attend meetings of the Board of Trustees, the Committees of the Board, and the Fund membership , both regular and special.

Section 10.3 The Fund Administrator or Fund Administration may, with approval of the Board of Trustees, provide for outside legal, financial, and other services, and may enter into fiduciary relationships and other contractual arrangements as determined by the Board of Trustees in its sole judgment and discretion to be reasonable and necessary to protect the assets of the Fund and to further the IPRF's purposes.

ARTICLE XI

Miscellaneous

Section 11.1 Each Member shall cooperate with the IPRF, and its Board of Trustees, officers, employees, contractors, vendors, consultants, agents, and representatives to the fullest extent possible. Members shall keep and maintain accurate records accessible to the IPRF, including financial, payroll, and tax records, safety records, and accident reports; and, Members shall be willing and able to take any and all necessary action to put into effect the recommendations of any safety or loss control inspection or survey.

Section 11.2 The Fund shall defend in the name of and on behalf of a Member any claims, suits, or other proceedings which may at any time be brought or instituted against that Member on account of bodily injury or death by accident or disease under the Illinois Workers' Compensation Laws or on account of legal liability of the Member for damages because of bodily injury or death to any employee by accident or disease arising out of and in the course of employment for the Member, including claims, suits, or other proceedings alleging such injuries and demanding damages or compensation therefore, even though such suits, other proceedings, allegations, or demands are wholly groundless, false, or fraudulent, and to pay all costs taxed

against the Member in any legal proceeding defended by the Fund, all interest accruing after entry of judgment, and all expenses incurred for investigation, negotiation, or defense.

ARTICLE XII
Fiscal Year

The fiscal year of the Illinois Public Risk Fund shall be consistent with the calendar year beginning on the first day of January and ending on the last day of December (the "Fund Year").

ARTICLE XIII
Notices

Any notice required by these By-Laws, by statute, or by any rule or regulation of any governmental agency shall be sufficient if delivered personally, transmitted or received by electronic means, or given by depositing the same in a United States post office box or receptacle in a sealed, envelope, addressed to the person to be notified at his or her last address as the same appears in the records of the IPRF, and with first-class postage prepaid; and any reference in these By-Laws to any written notice or correspondence shall for all purposes hereunder be deemed to include electronic transmission. Any notice delivered personally shall be deemed to have been given on the date of delivery. Any notice transmitted electronically shall be deemed to have been given one (1) day after transmission, and any mailed notice shall be deemed to have been given on the date of mailing, provided that should notice pursuant to Article VIII of these By-Laws be given by mail, mailing shall be sent by certified or registered mail.

ARTICLE XIV
Amendment of By-Laws

Section 14.1 These By-Laws may be amended, altered, changed, added to, or repealed, and new By-Laws may be adopted, by an affirmative vote of at least two-thirds (2/3) of the Board of Trustees.

Section 14.2 From time to time as determined by the Board of Trustees, or upon request, each Member shall be furnished with a copy of these By-Laws and a copy of any change thereof that is made as provided in Section 14.1 of this Article.

ARTICLE XV
Indemnification of Officers, Trustees, Employees, and Agents: Insurance

Section 15.1 The Fund may indemnify any person who was or is a party, or is threatened to be made a party to any threatened, pending, or completed action, suit, or proceeding, whether civil, criminal, administrative, or investigative (other than an action by or in the right of the Fund) by reason of the fact that he or she is or was a Trustee, officer, employee, or agent of the Fund, or who is or was serving at the request of the Fund as a Trustee, officer, employee, or agent of another corporation, partnership, joint venture, trust, or other enterprise, against expenses (including attorneys' fees) costs, awards, judgments, fines, and amounts paid in settlement actually and reasonably incurred by such person in connection with such action, suit, or proceeding, if he or she acted in good faith and in a manner he or she reasonably believed to be in, or not opposed to, the best interests of the Fund, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his or her conduct was unlawful. The termination of any action, suit, or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that the person did not

act in good faith and in a manner which he or she reasonably believed to be in or not opposed to the best interests of the Fund, and, with respect to any criminal action or proceeding, that the person had reasonable cause to believe that his or her conduct was unlawful.

Section 15.2 The Fund may indemnify any person who was or is a party, or is threatened to be made a party to any threatened, pending, or completed action or suit by or in the right of the Fund to procure a judgment in its favor by reason of the fact that such person is or was a Trustee, officer, employee, or agent of the Fund, or is or was serving at the request of the Fund as a Trustee, officer, employee, or agent of another corporation, partnership, joint venture, trust, or other enterprise, against expenses (including attorneys' fees) and costs actually and reasonably incurred by such person in connection with the defense or settlement of such action or suit, if such person acted in good faith and in a manner he or she reasonably believed to be in, or not opposed to, the best interests of the Fund, provided that no indemnification shall be made in respect of any claim, issue, or matter as to which such person shall have been adjudged to be liable for negligence or misconduct in the performance of his or her duty to the Fund, unless, and only to the extent that the court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability, but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses as the court shall deem proper.

Section 15.3 To the extent that a Trustee, officer, employee, or agent of the Fund has been successful, on the merits or otherwise, in the defense of any action, suit, or proceeding referred to in Sections 15.1 and 15.2 hereof, or in defense of any claim, issue, or matter therein, then such person shall be indemnified against expenses (including attorneys' fees) actually and reasonably incurred by such person in connection therewith.

Section 15.4 Any indemnification under Sections 15.1 and 15.2 hereof (unless ordered by a court) shall be made by the Fund only as authorized in the specific case, upon a determination that indemnification of the Trustee, officer, employee, or agent is proper in the circumstances because he or she has met the applicable standard of conduct set forth in Sections 15.1 and 15.2 hereof. Such determination shall be made (1) by the Board of Trustees by a majority vote of a quorum consisting of Trustees who were not parties to such action, suit or proceeding, or (2) if such quorum is not obtainable, or, even if obtainable, if a quorum of disinterested Trustees so directs, by independent legal counsel in a written opinion, or (3) by the Members entitled to vote, if any.

Section 15.5 Expenses incurred in defending or responding to a civil or criminal action, suit, proceeding, inquiry, or investigation may be paid by the Fund in advance of the final disposition of such action, suit, proceeding, inquiry, or investigation as authorized by the Board of Trustees in the specific case, upon receipt of an undertaking by or on behalf of the Trustee, officer, employee, or agent to repay such amount, unless it shall ultimately be determined that he or she is entitled to be indemnified by the Fund as authorized in this Article.

Section 15.6 The indemnification provided by this Article shall be in accordance with and to the full extent permitted by the Illinois General Not For Profit Corporation Act of 1986, as in effect on the date of the adoption of these By-Laws, or as amended from time to time, and such indemnification shall not be deemed exclusive of any other rights to which those seeking indemnification may be entitled under any By-Law, agreement, vote of Members or disinterested Trustees, or otherwise, both as to action in his or her official capacity and as to action in another capacity while holding such office, and shall continue as to a person who has ceased to be a

Trustee, officer, employee, or agent, and shall inure to the benefit of the heirs, executors, and administrators of such a person.

Section 15.7 The Fund may purchase and maintain insurance on behalf of any person who is or was a Trustee, officer, employee, or agent of the Fund, or who is or was serving at the request of the Fund as a Trustee, officer, employee, or agent of another corporation, partnership, joint venture, trust, or other enterprise, against any liability asserted against such person and incurred by such person in any such capacity, or arising out of his or her status as such, whether or not the Fund would have the power to indemnify such person against such liability under the provisions of this Article.

Section 15.8 If the Fund has paid indemnity or has advanced expenses under this Article to a Trustee, officer, employee, or agent, then the Fund shall report the indemnification or advance in writing to the Members entitled to vote with or before the notice of the next meeting of the Members entitled to vote.

Section 15.9 For purposes of this Article, references to "the Fund" shall include, in addition to the surviving corporation, any merging corporation (including any corporation having merged with a merging corporation) absorbed in a merger which, if its separate existence had continued, would have had the power and authority to indemnify its Trustees, officers, and employees or agents, so that any person who was a Trustee, officer, employee or agent of such merging corporation, or was serving at the request of such merging corporation as a Trustee, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, shall stand in the same position under the provisions of this Article with respect to the surviving corporation as such person would have with respect to such merging corporation if its separate existence had continued.

Section 15.10 For purposes of this Article, references to "other enterprises" shall include employee benefit plans; references to "fines" shall include any excise taxes assessed on a person with respect to an employee benefit plan; and reference to "serving at the request of the Fund" shall include any service as a Trustee, officer, employee or agent of the Fund which imposes duties on, or involves services by such Trustee, officer, employee, or agent with respect to any employee benefit plan, its participants, or beneficiaries. A person who acted in good faith and in a manner he or she reasonably believed to be in the best interests of the participants and beneficiaries of an employee benefit plan shall be deemed to have acted in a manner "not opposed to the best interests of the Fund" as referred to in this Article.

These By-Laws, as amended and restated, were approved by the Board of Trustees of the Illinois Public Risk Fund on February 26, 2018, and shall take effect as of that date.

Thomas P. English

Thomas P. English,
Chairman of and for the Illinois Public Risk
Fund.

Dated: March 19, 2018

Member No. _____

**ILLINOIS PUBLIC RISK FUND
POOLING AGREEMENT**
(As Amended and Restated in 2018)

THIS AGREEMENT is made and entered into by and among the ILLINOIS PUBLIC RISK FUND (the "IPRF" or "Fund"), an Illinois not for profit corporation organized and operating as an intergovernmental joint insurance pool, and each of the members of the Fund (individually referred to herein as a "Member" and collectively as the "Members").

RECITALS

WHEREAS, the purpose of the Fund is to establish an intergovernmental joint insurance pool providing for the defense and payment when due of all compensation and other benefits under the Illinois Workers' Compensation Act and the Illinois Workers' Occupational Diseases Act (hereinafter referred to as the "Workers' Compensation Laws"), on behalf of "public agency members," as such term is defined by section 6 of the Illinois Intergovernmental Cooperation Act (5 ILCS 220/6), and other units of local government and public entities within the State of Illinois which may become eligible for membership from time to time according to the Intergovernmental Cooperation Act, or Article VII, Section 10 of the Illinois Constitution of 1970.

WHEREAS, the Illinois Intergovernmental Cooperation Act expressly authorizes public agencies to enter into intergovernmental contracts to jointly self-insure and utilize their funds to protect, wholly or partially, themselves and any public agency member of the contract against liability or loss in a designated insurable area; and

WHEREAS, the IPRF was established in 1985 to provide a means by which the public agency Members of the Fund could contract with each other pursuant to the Intergovernmental Cooperation Act in order to protect each other against liability or loss under the Workers' Compensation Laws; and

WHEREAS, the parties to this Agreement intend to create a valid, enforceable intergovernmental contract pursuant to the provisions of the Intergovernmental Cooperation Act by execution of this Agreement.

NOW THEREFORE, in consideration of the mutual covenants and agreements contained herein, the parties hereto agree as follows:

AGREEMENT

I. FUND OPERATIONS AND CLAIMS ADMINISTRATION.

The IPRF will pay promptly when due the compensation and other benefits, including medical benefits, required of the Member by the Workers' Compensation Laws. The affairs of the Fund shall be managed by or under the direction of its Board of Trustees which shall provide

for the efficient administration of claims under the Workers' Compensation Laws and otherwise under any applicable law of the State of Illinois imposing employer liability for bodily injury by accident or disease. In that regard, the Board of Trustees shall be vested with all powers necessary to properly manage and direct the affairs of the IPRF, including but not limited to the power, as may be deemed necessary by the Board of Trustees in its full and complete discretion, to:

A. Provide for the efficient administration of claims by either employing or contracting for the services of an independent third party claims administrator (the "Fund Claims Administrator" or "Fund Administrator"), or by employing or contracting for the services of claims administration personnel or staff, (the "Fund Claims Administration" or "Fund Administration"). The Fund Administrator or Fund Administration, as the case may be, shall have the responsibilities for claims processing and administration; the investigation and adjustment of claims; the management and reporting of claims; compensation, claims, and benefits payments; and, risk data management and reports, including the establishing and monitoring of reserves, among other duties as may be authorized, directed, or delegated from time to time by the Board of Trustees;

B. Provide or contract for safety and loss control programs and services for the benefit of the Fund and its Members;

C. Employ or contract for the services of an independent accountant (the "Fund Accountant") who, at the direction of the Board of Trustees and the Treasurer, shall be responsible for IPRF's day-to-day financial matters, including the collection of Members' current, past due, and delinquent accounts, premiums, contributions, assessments, and penalties; the keeping and maintenance of the Fund's financial records, statements, reports, and books of account; and, the satisfaction and payment of the Fund's bills, debts, and other financial obligations;

D. Employ or contract for the services of an independent, fiduciary investment advisor (the "Fund Advisor"), if deemed necessary by the IPRF's Board of Trustees, to provide advice and management concerning the Fund's assets and investments in accordance with the purposes and investment guidelines established by the IPRF, the Intergovernmental Cooperation Act, and all other applicable duties and policies, standards, guidelines established, created by law, regulation, or resolution of the Board of Trustees;

E. Employ or contract for the services of an exclusive Marketing Agent who shall be responsible for the promotion and marketing of the Fund, and its program and services;

F. Authorize and direct the Fund Accountant and the Marketing Agent in the collection of delinquent accounts resulting from any unpaid premiums, contributions, assessments, or penalties;

G. Cause each Member to execute this Pooling Agreement, governing, among other matters and things, the liability of all Members for claims against the Fund;

H. Obtain excess reinsurance coverage along with errors and omissions liability (E&O) and directors and officers (D&O) liability coverages for the Fund's Board of

Trustees, officers, and employees with insurance companies acceptable to the Board of Trustees, and in amounts considered reasonably adequate to cover the liabilities of the Fund, its Board of Trustees, officers, and employees, and to keep and maintain such insurance policy coverages in full force and in effect at all times along with such other insurance coverages as the Board of Trustees may determine to be reasonably prudent and necessary to protect the Fund and its assets; and, to procure and maintain a fidelity bond covering the IPRF's Board of Trustees, individually and collectively, the Fund Treasurer, the Fund Accountant, and any other person required by law or deemed appropriate by the Board of Trustees, having any responsibility respecting the IPRF's monies and securities, in an amount sufficient to protect the Fund against loss, misappropriation, or misuse of any monies or securities;

I. Set standards for the admission of Members to the Fund which shall include such requirements, guidelines, and precautions as the Board of Trustees from time to time shall deem to be reasonable and appropriate to promote the safe, prudent, proper, and responsible operation of the Fund for the benefit of duly qualified and financially suitable Members that are seriously committed to sound safety practices, risk management, and loss control programs;

J. To employ or contract for the services of such other persons, parties, providers, vendors, or consultants as the Board of Trustees may from time to time deem reasonably necessary or desirable to carry out the purposes of the Fund and to assure the continuous, efficient, and cost-effective operations of its programs.

II. COST OF MEMBERSHIP.

The Member's cost will be determined by the Board of Trustees. The Member's contribution or premium will be developed by an examination and audit of all the Member's records that relate to the coverages provided by this Agreement, including ledgers, journals, registers, contracts, tax reports, payroll and disbursement records, and programs for storing and retrieving data (the "payroll audit"). Rates, classifications, experience modification factors, and discounts approved by the Board of Trustees will be used to determine the Member's contribution or premium subject to the payroll audit.

III. ASSESSMENT PROVISIONS.

Whenever the Board of Trustees determines by means of an audit, annual certified financial statements, actuarial opinion, or otherwise that the assets of the Fund are less than the reserves which prudently should be maintained by the Fund, or which are required to be maintained by any applicable law, rule or regulation, then the Fund shall direct its Treasurer and the Fund Accountant (as defined in the Fund's By-Laws) to assess each Member of the Fund that was a Member during the Fiscal Year (as defined below) in which the events or occurrences giving rise to such assessment occurred, the amount necessary (in the aggregate) to correct the deficiency. Members will be assessed pro rata based upon their annual contributions, provided that, in no event shall the annual total of any Member's assessment exceed the greater of ten percent (10%) of that Member's gross annual premium or contribution to the Fund for the most recent Fiscal or Fund Year, as such terms are defined herein and by the IPRF's By-Laws, or the amount required under the applicable rule, law or regulation giving rise to the assessment. In the event of the inability of one or more Members, by reason of insolvency or otherwise, to pay such assessments, the Fund's Treasurer shall assess the other Members of the Fund for such unpaid

amounts. Notwithstanding the foregoing, a Member's liability under this Section for assessments shall be limited to the period of such Member's membership in the IPRF and the later of either the three (3)-year period commencing with the close of the most recent Fiscal Year during which the events, occurrences, or claims giving rise to such assessments happened, or the three (3)-year period beginning with the close of the Fiscal Year during which such Member's membership in the Fund was terminated.

IV. MEMBERS, TERMS, WITHDRAWAL, TERMINATION.

A. Membership in the Fund is limited to "public agency members" as such term is defined by section 6 of the Illinois Intergovernmental Cooperation Act (5 ILCS 220/6), and other units of local government and public entities within the State of Illinois which may become eligible for membership from time to time according to the Intergovernmental Cooperation Act, or Article VII, Section 10 of the Illinois Constitution of 1970. Membership in the Fund is subject to the approval of the Fund's Board of Trustees, the Fund Administrator, and the Fund's excess reinsurance carrier.

B. The initial minimum term of IPRF membership is one (1) year, unless terminated earlier pursuant to this Agreement or Article VIII of the Fund's By-Laws.

C. After the initial one (1) year minimum term, a Member may withdraw or resign its membership in the Fund for any year thereafter upon the giving of not less than ninety (90) days written notice to the IPRF Board of Trustees of its intent to withdraw or resign and, such resignation shall take effect no sooner than ninety (90) days from the date such notice is given. The ninety (90) day written notice required by this section shall be given, at least, 90 days prior to the expiration of the Member's then-current term. It is paramount for the Fund to receive the written notice required by this section ninety (90) days in advance of the end of the withdrawing Member's term because the Fund must know which of its Members are covered on an annual basis. The Fund cannot carve out shortened timeframes for members who terminate on any lesser amount of time as such shortened termination timeframes may lead to ambiguities in coverage.

D. A Member's written notice tentatively terminating such Member's membership must be rescinded, if at all, by subsequent written notice received by the IPRF no later than the final day of the then-current policy term. If the tentative termination is not rescinded, the Member's membership in the IPRF will be terminated as of 11:59 PM on the final day of the Member's then-current term. If the Member does timely rescind its tentative termination as provided in this paragraph, such Member's membership shall be renewed in the ordinary course, with no interruption in coverage.

E. A Member may be terminated from the IPRF under rules set forth in the Funds By-Laws for reasons which include, but are not limited to, the following:

- (1) When the Member fails to pay the premium, contribution, assessment, or other amounts due and payable to the Fund in full;
- (2) When the Member fails to cooperate with the Fund, or with its Trustees, Marketing Agent, officers, employees, contractors, or agents, in regards to audits, payments, financial and claims reporting, safety, loss control, and prevention, or any other subject having to do or connected in any way with the operations and

purposes of the IPRF as determined by the Board of Trustees in its sole discretion;

(3) When the Member fails to carry out the recommendations of any safety, loss control, or prevention survey, inspection, or examination, or fails to adhere to generally accepted accounting or financial practices, or fails to follow the IPRF's safety, loss control, risk prevention, or claims reduction standards, policies, or programs as determined by the Board of Trustees in its sole discretion;

(4) When the Member fails to meet the membership eligibility requirements set forth in Paragraph IV(A) above, as determined at any time by the Board of Trustees in its sole discretion;

(5) When the Member engages in conduct detrimental to the integrity, stability, or strength of the IPRF or any of its programs as determined by the Board of Trustees in its sole discretion; or

(6) When the member fails to meet other requirements for continued participation that may be determined by the Board of Trustees in its sole discretion to preserve the stability and strength of the Fund and which are consistent with the provisions of the By-Laws, including participation in the programs or efforts designed to reduce losses or adjust claims in order to carry out the purposes for which the IPRF was established.

F. REGARDLESS OF THE EFFECTIVE DATE OF ANY MEMBER'S VOLUNTARY OR INVOLUNTARY TERMINATION OF MEMBERSHIP IN THE FUND, PAID PREMIUMS WILL NOT BE REFUNDED OR PRO-RATED.

V. COVERAGE INDEMNITY AND DEFENSE.

In consideration of payment of the Member's contributions as described in this Agreement in general, and as set forth in Part II in particular, the Fund agrees:

A. *Coverage*: The Fund will pay promptly when due all compensation and other benefits, including medical benefits, required of the Member by the Workers' Compensation Laws and as such Laws may be amended from time to time.

B. *Defense. Settlement. Supplementary Payments*: As respects the coverage afforded by the other terms of this Agreement, the Fund shall:

(1) Defend any proceeding against the Member seeking such compensation and other benefits and any suit against the Member alleging work-related accidental injuries or occupational diseases, as those terms are defined under the Workers' Compensation Laws and seeking damages on account thereof, even if such proceeding or lawsuit is groundless, false, or fraudulent, but the Fund may make such investigation, negotiation, and settlement of any claim or suit as it deems expedient or necessary.

(2) Pay all expenses incurred by the Fund, all costs taxed against the Member in any such proceeding or suit, and all interest accruing after entry of award or judgment until the Fund has paid, tendered, or deposited such part of such judgment as does not exceed the limit of the Fund's liability thereon; provided, however, that in no event shall the Fund be responsible for payment of any fines, penalties, or interest thereon imposed upon a Member as a result of such Member's violation of or misconduct under the Workers' Compensation Laws or otherwise.

C. Applicability of Coverage: The coverage, compensation, other benefits, defense, and payments provided under this Agreement apply or is accorded only to accidental injuries, disablements, exposures, and fatalities (as those terms are defined under the Workers' Compensation Laws) occurring during the membership term. All states coverage will be provided by the Fund.

D. Conditions: Classifications, rates, modification factors, and discounts, shall be determined by the Board of Trustees in its sole discretion. Each Member shall maintain records of the information necessary for contribution or premium computation, and the IPRF, its Board of Trustees, the Fund Accountant and its duly authorized agents and representatives shall be allowed to examine and audit all of the Member's records that relate to the coverage, indemnity and defense provided by this Agreement, including ledgers, journals, registers, vouchers, contracts, tax reports, payroll and disbursement records, and programs for sharing and receiving data. The IPRF may conduct the audits during regular business hours during the membership or coverage period and within three (3) years after such membership or coverage period ends. Information developed by audit will be used to determine the amount of any final premium or contribution due under this Agreement subject to the right of the Fund through its Board of Trustees to determine and set the amount of any premium, contribution, assessment, debt, penalty, or other amount due to be paid the IPRF in its full and sole discretion.

VI. MEMBERS' OBLIGATIONS.

Each Member agrees to be bound by all of the terms and conditions of this Agreement, any subsequent amendments, revisions or alterations of this version of the Agreement (each version to be retained in IPRF's books and records), the IPRF's By-Laws, as they may be amended from time to time, and to abide by any rules, resolutions, and regulations that are promulgated by the Board of Trustees for the administration of the Fund, which shall include, but not be limited to, the following:

A. Each Member agrees to initiate and maintain a safety program to give its employees safe and sanitary working conditions and agrees to follow the general recommendations of the IPRF, its Board of Trustees, and their duly authorized agents and representatives to promote the general welfare of such Member's employees. Each Member, however, shall remain solely responsible for all decisions concerning its safety program and practices and may not rely upon evaluations or recommendations made by the IPRF, its Board of Trustees, or their duly authorized agents and representatives in making decisions concerning such Member's safety program and practices.

B. When an injury or disablement to an employee of a Member covered by this Agreement occurs, the Member shall immediately provide for immediate emergency and other medical services as provided by Sections 8(a) of the Illinois Workers' Compensation Act (820 ILCS 305/8(a)), and shall immediately notify the IPRF of the loss or claim and cause to be prepared and transmitted to the Fund Administrator or Fund Administration, as the case may be, an Employers First Report of Injury (Form 45) as prescribed by the IPRF, the Illinois Workers' Compensation Commission and the Federal Occupational Safety and Health Administration (OSHA).

C. If a claim is made or suit or other proceeding is brought against the Member, then the Member shall immediately forward to the IPRF every demand, notice, summons, claim form, suit or other legal or administrative process received by it.

D. The Member shall cooperate with the IPRF and, upon the Funds request, shall attend all hearings and trials and shall assist in effecting settlements, securing and giving evidence, obtaining the attendance of witnesses, and otherwise cooperate in the conduct of all suits, hearings, or proceedings. The Member shall not, except at its own cost, which shall not be reimbursed by the Fund, voluntarily make any payment, assume any obligation, or incur any expense other than for such immediate medical and other services at the time of the injury as are required by the Workers' Compensation Laws or otherwise.

E. Each Member shall make prompt payment of all contributions, premiums, assessments, and other amounts due as required under this Agreement and the Fund's By-Laws.

F. Each Member does hereby appoint the IPRF as its agent to act in the Member's behalf to file reports and to make or arrange for payment of claims, medical expenses, and all other things required or necessary insofar as they affect the Member's liability under the Workers' Compensation Laws or such Member's obligations under the rules, regulations, and orders of the Illinois Workers' Compensation Commission or any other administrative agency or court having jurisdiction.

G. Each Member agrees that in the event of the payment of any compensation, other benefits, defense or other payments by the IPRF under this Agreement, the Fund shall be subrogated to the extent of such payment to all rights of the Member against any person or other entity legally responsible for such damages or losses, and in such event, the Member hereby agrees to render all reasonable assistance, other than pecuniary assistance, to effect recovery.

H. The IPRF, its Board of Trustees, and any of their duly authorized agents, employees, and attorneys, and a representative shall be permitted at all reasonable times to inspect the Member's work places, plants, works, machinery, and appliances covered by this Agreement, and shall be permitted at all reasonable times and within three (3) years following termination of membership to examine the Member's books, vouchers, contracts, documents, and records of any and every kind which show or tend to show or verify contributions, premiums, or other amounts which are due or payable, or which were paid to the Fund.

I. In consideration of the rights, privileges, and benefits of IPRF membership, the Member agrees and consents that it may be sued by the Fund in any Illinois court having jurisdiction for any premiums, assessments, contributions, debts, penalties, or other monies that are not paid to the Fund on the due date thereof, including but not limited to all reasonable attorneys' fees, expenses, and costs incurred by the Fund in the collection process through litigation, arbitration, or otherwise. Each Member further specifically agrees, consents, and submits to the jurisdiction, venue, and service of process of the Circuit Court of DuPage County, Illinois.

VII. EFFECTIVE TIME AND DATE.

The Fund shall operate on a fiscal year consistent with the calendar year beginning on the first day of January and ending on the last day of December (the "Fiscal Year" or "Fund Year"), and effective date of this Agreement shall be the date the parties entered into this Amended and Restated Pooling Agreement as set forth below.

VIII. ENTIRE AGREEMENT.

This Amended and Restated Pooling Agreement supersedes any prior Pooling Agreement between the parties.

IX. NO PRESUMPTION ARISES.

This Amended and Restated Pooling Agreement shall be presumed to have been drafted by the parties that are signatories hereto. No presumption shall arise against either party if any term hereof shall be considered ambiguous.

IN WITNESS WHEREOF, the parties hereto have entered into this Amended and Restated Pooling Agreement as of date set forth below.

ILLINOIS PUBLIC RISK FUND

Date: _____

By: _____

Title: _____

MEMBER

(Print name of Member)

By: _____

Title: _____

DEDUCTIBLE AGREEMENT

This Deductible Agreement (“Agreement”) is made and entered into by and between the ILLINOIS PUBLIC RISK FUND, an Illinois Not-For-Profit Corporation, operating as a self-insured risk pool for Illinois public entities (“Fund”), and City of Decatur

Recitals

WHEREAS, the Fund has accepted the Member for membership and the Member has accepted membership in the Fund subject to the Fund’s Pooling Agreement and By-Laws; and

WHEREAS, the Fund has offered the Member an optional Deductible Plan, which Member has accepted; and

WHEREAS, the parties desire to memorialize Deductible Plan in this Agreement; and

WHEREAS, nothing in this Agreement shall change or alter any of the obligations of either the Fund or the Member under the Pooling Agreement and By-Laws.

NOW, THEREFORE, in consideration of the recitals stated above, which are incorporated into this Agreement, and the mutual promises and covenants hereinafter contained, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. TERM.

The Term of this Agreement shall be for the period beginning on October 1, 2020 and terminating on September 30, 2021.

2. DEDUCTIBLE PLAN.

(A) Subject to the terms and conditions of the Fund’s By-Laws, and the Pooling Agreement executed by the parties, for each claim tendered to and covered by the Fund, the Fund will pay on the Member’s behalf the Deductible Amount identified in Section 3 below. The Deductible Amount shall not include the Fund’s loss adjustment expense, if any, allocated to a claim.

(B) On a quarterly basis (March 31, June 30, September 30 and December 31), the Fund shall issue an invoice to the Member, specifying the amount of the Deductible paid by the Fund on Member’s behalf for covered expenses.

(C) Within 10 days of receipt of the invoice identified in Section 2(B) above, Member shall reimburse the Fund for all amounts paid as identified in the invoice. Member’s failure to reimburse the Fund will be considered an event of default under the Pooling Agreement and By-Laws, equivalent to non-payment of premium and contributions. Failure to reimburse the Fund for

sums paid under this Deductible Plan may result in Member's termination from the Fund, which will result in the cancellation of Member's coverages under the Pooling Agreement and By-Laws.

3. DEDUCTIBLE AMOUNT.

The deductible amount (the "Deductible Amount") is \$300,000. for each claim or accident occurring during the Term of this Agreement.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the dates set forth below to be effective beginning **October 1, 2020**.

ILLINOIS PUBLIC RISK FUND

Date: _____

By: _____

Title: _____

MEMBER

Date: _____

By: _____

Title: _____



Loss Control Services

Illinois Public Risk Fund is pleased to include the following loss control services with our proposal:

- (3) onsite loss control visits (an average of four hours per visit)

- 24/7 access to all available online loss control services including:
 - Interactive online training
 - Extensive list of streaming videos
 - Safety checklists
 - Risk reminders
 - Sample safety policies/procedures

- (2) days of onsite Simulator training (fire extinguisher, firearms and drive simulators)

- All claim settlements and denials will be discussed.

SUBJECT: Resolution Authorizing Excess Property Insurance Coverage for the City of Decatur, Illinois for the Policy Period October 1, 2020 to October 1, 2021

ATTACHMENTS:

Description	Type
Resolution Travelers	Cover Memo

RESOLUTION NO. R2020 - _____

**RESOLUTION AUTHORIZING EXCESS PROPERTY INSURANCE
COVERAGE FOR THE CITY OF DECATUR, ILLINOIS
FOR THE POLICY PERIOD OCTOBER 1, 2020 TO OCTOBER 1, 2021**

WHEREAS, the City of Decatur current business insurance coverage shall expire October 1, 2020, and,

WHEREAS, the City of Decatur is in need of excess property insurance coverage for the period October 1, 2020 through October 1, 2021; and

WHEREAS, Arthur J. Gallagher Risk Management Services, Inc. has secured quotes on the City's behalf for excess property insurance for the period October 1, 2020 through October 1, 2021; and,

WHEREAS, Travelers Indemnity Company (The Travelers Companies, Inc.) has submitted a quote to supply excess property insurance in the amount of \$85,409.00.

BE IT THEREFORE RESOLVED BY THE CITY COUNCIL OF THE CITY OF DECATUR, ILLINOIS:

Section 1. That the quote of Travelers Indemnity Company (The Travelers Companies, Inc.) to supply excess property insurance in the amount of \$85,409.00 to the City of Decatur be, and the same is hereby, accepted and approved.

Section 2. That the City Manager be, and is hereby authorized to direct Risk Management to execute the Client Authorization to Bind Coverage with Arthur J. Gallagher Risk Management Services for the afore-mentioned service in accordance with the quotes as submitted by said companies.

PRESENTED AND ADOPTED this 21st day of September, 2020.

Julie Moore Wolfe, Mayor

ATTEST:

Angela Harper
Deputy City Clerk

SUBJECT: Resolution Authorizing Auto Physical Damage Insurance Coverage for the City of Decatur, Illinois for the Policy Period October 1, 2020 to October 1, 2021

ATTACHMENTS:

Description	Type
Resolution Hanover	Cover Memo

RESOLUTION NO. R2020 - _____

**RESOLUTION AUTHORIZING AUTO PHYSICAL DAMAGE
INSURANCE COVERAGE FOR THE CITY OF DECATUR, ILLINOIS
FOR THE POLICY PERIOD OCTOBER 1, 2020 TO OCTOBER 1, 2021**

WHEREAS, the City of Decatur current business insurance coverage shall expire October 1, 2020, and,

WHEREAS, the City of Decatur is in need of auto physical damage insurance coverage for the period October 1, 2020 through October 1, 2021; and

WHEREAS, Arthur J. Gallagher Risk Management Services, Inc. has secured quotes on the City's behalf for auto physical damage insurance for the period October 1, 2020 through October 1, 2021; and,

WHEREAS, Hanover Insurance Company has submitted a quote to supply auto physical damage insurance in the amount of \$60,349.00.00.

BE IT THEREFORE RESOLVED BY THE CITY COUNCIL OF THE CITY OF DECATUR, ILLINOIS:

Section 1. That the quote of Hanover insurance Company to supply auto physical damage insurance in the amount of \$60,349.00 to the City of Decatur be, and the same is hereby, accepted and approved.

Section 2. That the City Manager be, and is hereby authorized to direct Risk Management to execute the Client Authorization to Bind Coverage with Arthur J. Gallagher Risk Management Services for the afore-mentioned service in accordance with the quotes as submitted by said companies.

PRESENTED AND ADOPTED this 21st day of September, 2020.

Julie Moore Wolfe, Mayor

ATTEST:

Angela Harper
Deputy City Clerk

SUBJECT: Resolution Authorizing Cyber Liability Insurance Coverage for the City of Decatur, Illinois for the Policy Period October 1, 2020 to October 1, 2021

ATTACHMENTS:

Description	Type
Resolution ACE American	Cover Memo

RESOLUTION NO. R2020 - _____

**RESOLUTION AUTHORIZING CYBER LIABILITY INSURANCE
COVERAGE FOR THE CITY OF DECATUR, ILLINOIS
FOR THE POLICY PERIOD OCTOBER 1, 2020 TO OCTOBER 1, 2021**

WHEREAS, the City of Decatur current business insurance coverage shall expire October 1, 2020, and,

WHEREAS, the City of Decatur is in need of cyber liability insurance coverage for the period October 1, 2020 through October 1, 2021; and

WHEREAS, Arthur J. Gallagher Risk Management Services, Inc. has secured quotes on the City's behalf for cyber liability insurance for the period October 1, 2020 through October 1, 2021; and,

WHEREAS, ACE American Insurance Company has submitted a quote to supply cyber liability insurance in the amount of \$55,810.00.00.

BE IT THEREFORE RESOLVED BY THE CITY COUNCIL OF THE CITY OF DECATUR, ILLINOIS:

Section 1. That the quote of ACE American Insurance Company to supply cyber liability insurance in the amount of \$55,810.00 to the City of Decatur be, and the same is hereby, accepted and approved.

Section 2. That the City Manager be, and is hereby authorized to direct Risk Management to execute the Client Authorization to Bind Coverage with Arthur J. Gallagher Risk Management Services for the afore-mentioned service in accordance with the quotes as submitted by said companies.

PRESENTED AND ADOPTED this 21st day of September, 2020.

Julie Moore Wolfe, Mayor

ATTEST:

Angela Harper
Deputy City Clerk

SUBJECT: Resolution Authorizing Excess Workers Compensation Insurance Coverage for the City of Decatur, Illinois for the Policy Period October 1, 2020 to October 1, 2021

ATTACHMENTS:

Description	Type
Resolution IPRF	Cover Memo

RESOLUTION NO. R2020 - _____

**RESOLUTION AUTHORIZING EXCESS WORKERS COMPENSATION
INSURANCE COVERAGE FOR THE CITY OF DECATUR, ILLINOIS
FOR THE POLICY PERIOD OCTOBER 1, 2020 TO OCTOBER 1, 2021**

WHEREAS, the City of Decatur current business insurance coverage shall expire October 1, 2020, and,

WHEREAS, the City of Decatur is in need of excess workers compensation insurance coverage for the period October 1, 2020 through October 1, 2021; and

WHEREAS, Arthur J. Gallagher Risk Management Services, Inc. has secured quotes on the City's behalf for excess workers compensation insurance for the period October 1, 2020 through October 1, 2021; and,

WHEREAS, Illinois Public Risk Fund has submitted a quote to supply excess workers compensation insurance in the amount of \$146,996.00.00.

BE IT THEREFORE RESOLVED BY THE CITY COUNCIL OF THE CITY OF DECATUR, ILLINOIS:

Section 1. That the quote of Illinois Public Risk Fund to supply excess workers compensation insurance in the amount of \$146,996.00 to the City of Decatur be, and the same is hereby, accepted and approved.

Section 2. That the City Manager be, and is hereby authorized to direct Risk Management to execute the Client Authorization to Bind Coverage with Arthur J. Gallagher Risk Management Services for the afore-mentioned service in accordance with the quotes as submitted by said companies.

PRESENTED AND ADOPTED this 21st day of September, 2020.

Julie Moore Wolfe, Mayor

ATTEST:

Angela Harper
Deputy City Clerk

SUBJECT: Resolution Authorizing Excess Liability Insurance Coverage for the City of Decatur, Illinois for the Policy Period October 1, 2020 to October 1, 2021

ATTACHMENTS:

Description	Type
Resolution Evanston	Cover Memo

RESOLUTION NO. R2020 - _____

**RESOLUTION AUTHORIZING EXCESS LIABILITY INSURANCE
COVERAGE FOR THE CITY OF DECATUR, ILLINOIS
FOR THE POLICY PERIOD OCTOBER 1, 2020 TO OCTOBER 1, 2021**

WHEREAS, the City of Decatur current business insurance coverage shall expire October 1, 2020, and,

WHEREAS, the City of Decatur is in need of excess liability insurance coverage for the period October 1, 2020 through October 1, 2021; and

WHEREAS, Arthur J. Gallagher Risk Management Services, Inc. has secured quotes on the City's behalf for excess liability insurance for the period October 1, 2020 through October 1, 2021; and,

WHEREAS, Evanston Insurance (Markel Corporation Group) has submitted a quote to supply excess liability insurance in the amount of \$76,600.00.00.

BE IT THEREFORE RESOLVED BY THE CITY COUNCIL OF THE CITY OF DECATUR, ILLINOIS:

Section 1. That the quote of Evanston Insurance (Markel Corporation Group) to supply excess liability insurance in the amount of \$76,600.00 to the City of Decatur be, and the same is hereby, accepted and approved.

Section 2. That the City Manager be, and is hereby authorized to direct Risk Management to execute the Client Authorization to Bind Coverage with Arthur J. Gallagher Risk Management Services for the afore-mentioned service in accordance with the quotes as submitted by said companies.

PRESENTED AND ADOPTED this 21st day of September, 2020.

Julie Moore Wolfe, Mayor

ATTEST:

Angela Harper
Deputy City Clerk

SUBJECT: Resolution Authorizing Crisis Protection Insurance Coverage for the City of Decatur, Illinois for the Policy Period October 1, 2020 to October 1, 2021

ATTACHMENTS:

Description	Type
Resolution Lloyd's London	Cover Memo

RESOLUTION NO. R2020 - _____

**RESOLUTION AUTHORIZING CRISIS PROTECTION INSURANCE
COVERAGE FOR THE CITY OF DECATUR, ILLINOIS
FOR THE POLICY PERIOD OCTOBER 1, 2020 TO OCTOBER 1, 2021**

WHEREAS, the City of Decatur current business insurance coverage shall expire October 1, 2020, and,

WHEREAS, the City of Decatur is in need of crisis protection insurance coverage for the period October 1, 2020 through October 1, 2021; and

WHEREAS, Arthur J. Gallagher Risk Management Services, Inc. has secured quotes on the City's behalf for crisis protection insurance for the period October 1, 2020 through October 1, 2021; and,

WHEREAS, Underwriters at Lloyd's London has submitted a quote to supply crisis protection insurance in the amount of \$42,750.00.00.

BE IT THEREFORE RESOLVED BY THE CITY COUNCIL OF THE CITY OF DECATUR, ILLINOIS:

Section 1. That the quote of Underwriters of Lloyd's London to supply crisis protection insurance in the amount of \$42,750.00 to the City of Decatur be, and the same is hereby, accepted and approved.

Section 2. That the City Manager be, and is hereby authorized to direct Risk Management to execute the Client Authorization to Bind Coverage with Arthur J. Gallagher Risk Management Services for the afore-mentioned service in accordance with the quotes as submitted by said companies.

PRESENTED AND ADOPTED this 21st day of September, 2020.

Julie Moore Wolfe, Mayor

ATTEST:

Angela Harper
Deputy City Clerk