

Illinois Municipal League

RMA

Risk
Management
Association

**Proposal for Coverage
and Risk Management Services***

City of Lebanon

** This proposal of coverage is intended to facilitate an understanding of the coverage provided by RMA. It is not intended to replace or supersede the actual coverage grants. A sample copy of the RMA coverage grants are available upon request.*

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Home Services About Risk Management & Loss Control Contact Us Search

Are you protecting your community from loss? What used to work won't work anymore.

About the IML Risk Management Association

Governed by an experienced board of directors made up of elected municipal officials, the IML Risk Management Association has established itself as a leader in the industry by adhering to sound risk management principles while providing outstanding customer support.

Since 1981, our dedicated and experienced team of professionals has worked hard to protect municipal risk management needs — including our

imlrma.org

Illinois Municipal League

RMA Risk
Management
Association

November 5, 2021

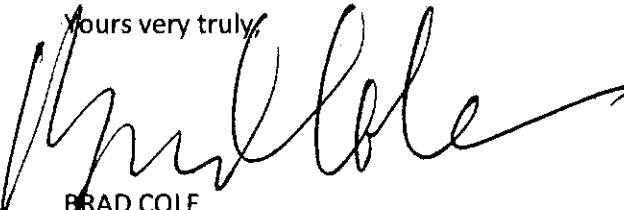
City of Lebanon
312 W Saint Louis Street
Lebanon, IL 62254-1561

The entire staff at the Illinois Municipal League Risk Management Association (RMA) would like to thank the City of Lebanon for the opportunity to present our history, qualifications and the benefits of our self-insurance pool and risk management resources.

The City of Lebanon will directly benefit from the knowledge and experience of our dedicated team. Both the Illinois Municipal League (IML) and IML Risk Management Association are the leading experts on Illinois municipal government and strive to ensure that all municipalities have access to the information that we learn from our members and partners. We are confident that our proposal will demonstrate how much we care about our members and the communities they live in, and what we can provide through superior programs and services.

Again, thank you for the opportunity to be of service to your community. Please do not hesitate to contact our office in Springfield at any time with questions about the pool or general questions that you have about your daily work. We are here to help our members as often as needed. Thanks.

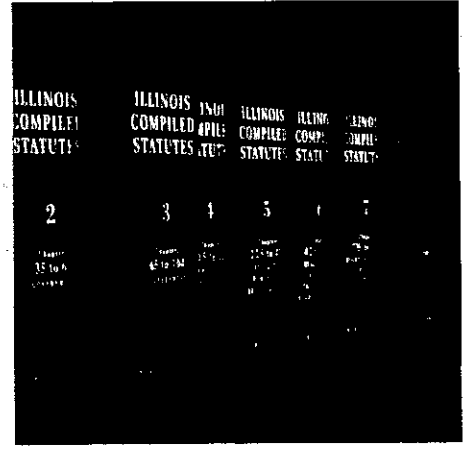
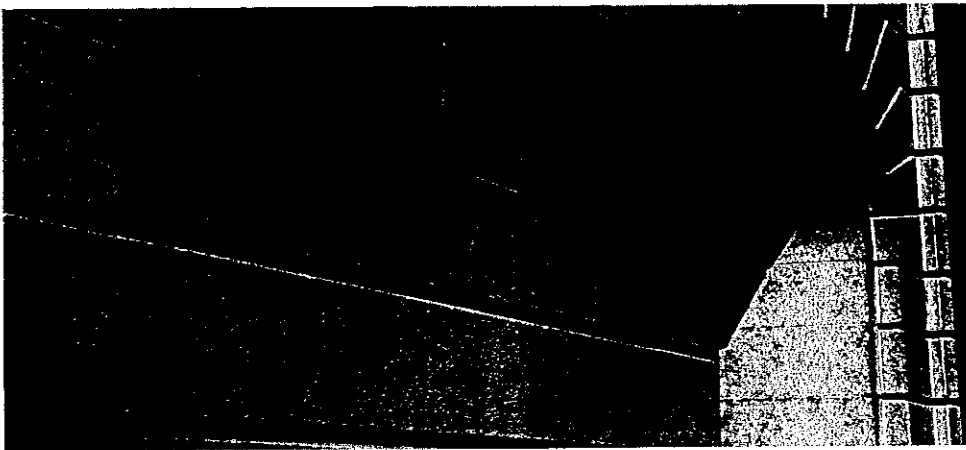
Yours very truly,



BRAD COLE

Managing Director

Disclaimer: The trade secret, commercial and financial information contained in the documents hereby provided are proprietary, privileged and confidential IMLRMA/CCMSI records. Distribution of such trade secret, commercial or financial information is prohibited and would cause competitive harm to IMLRMA/CCMSI.



ABOUT RMA

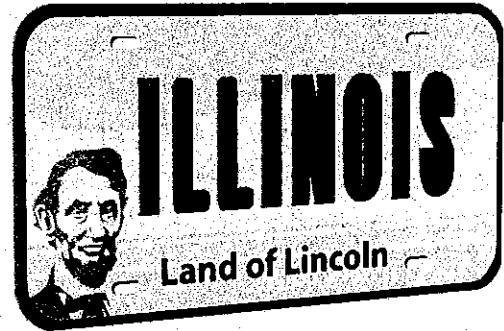
In 1981, the Illinois Municipal League (IML) governing board formed the Illinois Municipal League Risk Management Association (RMA) to stabilize costs and provide liability, property and workers' compensation coverage needed specifically for municipalities.

Our primary goal is to help city, village and town officials to safeguard their physical, human and financial assets.

Now in our 40th year of operation, we have a proven track record of success. We have developed a very specialized body of knowledge to assist Illinois municipalities in ways not otherwise available through commercial insurance carriers.

RMA has loyal and long-standing partnerships with our members who value our role in enabling them to achieve their long-term goals. RMA members recognize the value of our wide-ranging coverage and services and understand that their contribution is an investment in municipal protection and service.





- Illinois Municipalities Only
- Municipalities Joining Together
- Non-Profit
- Formed by the Illinois Municipal League

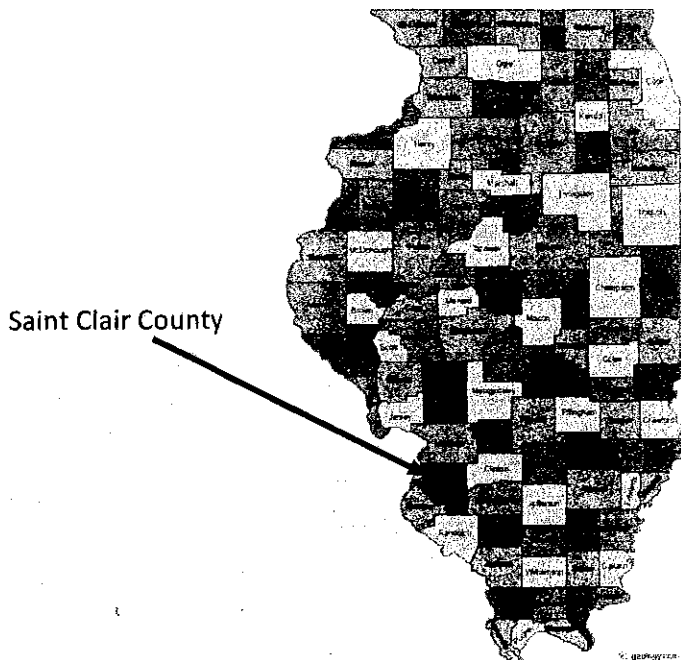
Our Board of Directors is made up of elected municipal officials, just like you. They know and understand your needs and offer insight into RMA membership.

RMA BOARD OF DIRECTORS

- Mayor Trevor Clatfelter, Sherman; Chair
- Mayor Steve Frattini, Herrin; Vice Chair
- Village President Mark A. Hodge, Hopkins Park
- Mayor Greg Jury, Loves Park
- Village President Sean Widener, Mahomet
- Village President Glenn Ryback, Wadsworth
- Village President Eileen Phipps, Wayne
- Brad Cole, IML Executive Director; *Ex Officio* Member

MEMBERS IN SAINT CLAIR & SURROUNDING COUNTIES

Clinton	Albers, Beckemeyer, Breese, Damiansville, Germantown, Hoffman, Keyesport, Saint Rose
Madison	Alhambra, Alton, Bethalto, East Alton, Edwardsville, Glen Carbon, Godfrey, Grantfork, Hamel, Hartford, Highland, Livingston, Marine, New Douglas, Roxana, Saint Jacob, South Roxana, Venice, Williamson, Worden
Monroe	Columbia, Hecker, Maeystown, Valmeyer, Waterloo
Randolph	Baldwin, Coulterville, Ellis Grove, Evansville, Percy, Prairie du Rocher, Ruma, Steeleville, Tilden
Saint Clair	Brooklyn, East Carondelet, Fairmont City, Fayetteville, Lenzburg, Marissa, Mascoutah, Saint Libory, Shiloh, Smithton, Summerfield, Swansea
Washington	Ashley, DuBois, Hoyleton, Irvington, Oakdale, Okawville, Radom, Richview, Venedy



MEMBERS

1981 - 48 Members
 2021 - 683 Members

Smallest Member — Population 37
 Largest Member — Population 34,094

SUMMARY OF COVERAGE: PROPERTY

COVERAGE

RMA property coverage applies to damage to owned buildings and contents, structures and personal property of the member caused by a covered peril. Covered perils may include: fire, vandalism, flood or earthquake.

Types of property covered:

- Buildings and contents
- Lift stations
- K-9 Officers (police dogs)
- Storm sirens
- Playground and park equipment
- Light poles
- Fire hydrants
- Fencing
- Signs
- Traffic signals
- Fine art
- Memorials

LIMITS

Property – Auto Physical Damage – Portable Equipment (combined)	\$30 million any location, each occurrence; \$250 million each occurrence all members
Flood and Earthquake (combined)	\$76.5 million annual aggregate all members
Business Income/Extra Expense	\$250,000 annual aggregate (higher limits available upon request)
Valuable Papers/Records and Electronic Media/Records	\$50,000 each occurrence
K-9 Officers (police dogs)	\$15,000 each dog injured or killed in the line of duty
Unmanned aircraft (drones)	\$2,500 each item
Outdoor Trees, Shrubs and Plants	\$1,000 per item/\$10,000 per occurrence

DEDUCTIBLES

- \$500 each occurrence for property claims
- \$25,000 each occurrence for flood and earthquake claims

FEATURES

- Building evaluations – with a few exceptions for unique municipal property, RMA will provide our members with the appropriate values for their municipal property. This is a free service we provide to our members.
- RMA does not have any co-insurance requirements.
- RMA does not exclude coverage for properties that are in Flood Zone A. Many commercial carriers exclude items in Flood Zone A, which is considered to be a higher risk by the Federal Emergency Management Agency (FEMA).
- To suit your municipality's individual needs, RMA offers three property coverage valuation options.

Replacement Cost (RC) – cost to repair or replace with like kind and quality.

Please be aware that for a unique property RMA may not be able to value it for replacement cost, the member will be asked to provide a value and the replacement cost will be limited to 130% of the value scheduled with RMA.

Actual Cash Value (ACV) – replacement cost less depreciation.

Functional Replacement (FR) – a value between RC and ACV. For example: if a member has an older building that was donated to the municipality and is useable, but if a fire destroyed the building, the municipality would replace it with something that may be of more practical use.

- Optional endorsements a member may request: (separate limits may apply)

Mine Subsidence Gas or Electric Utility Property Property in the Course of Construction Ordinance or Law Coverage

SUMMARY OF COVERAGE: EQUIPMENT BREAKDOWN

COVERAGE

RMA equipment breakdown coverage (also known as boiler & machinery) is for losses due to mechanical or electrical breakdown of equipment. It covers the piece of equipment and any other damage caused by the breakdown. Coverage is automatically included for members with property values of less than \$10 million, unless the member cannot meet all the reinsurance requirements. Members with greater than \$10 million in property values or if the member does not meet reinsurance requirements, will be provided an optional proposal.

LIMITS

Spoilage	\$100,000 each occurrence, annual aggregate
Expediting Expenses	\$100,000 each occurrence, annual aggregate
Data and Media	\$100,000 each occurrence, annual aggregate
Fungus, Wet Rot and Dry Rot	\$15,000 per location, annual aggregate
Hazardous Substance	\$100,000 each occurrence, annual aggregate
Off Premises Equipment	\$500,000 each occurrence, annual aggregate
Extra Expense	\$1 million each occurrence, annual aggregate
Water Damage	\$100,000 each occurrence, annual aggregate
Electrical Risk Improvements	10% of paid loss not to exceed \$10,000 each occurrence

DEDUCTIBLES

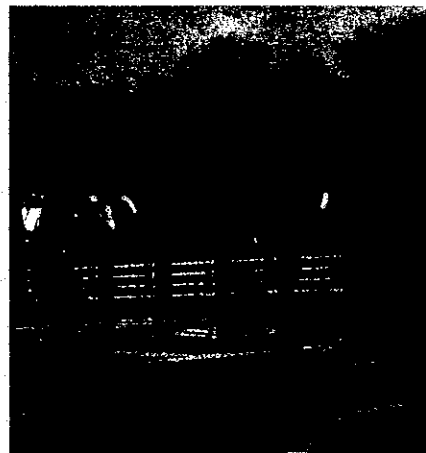
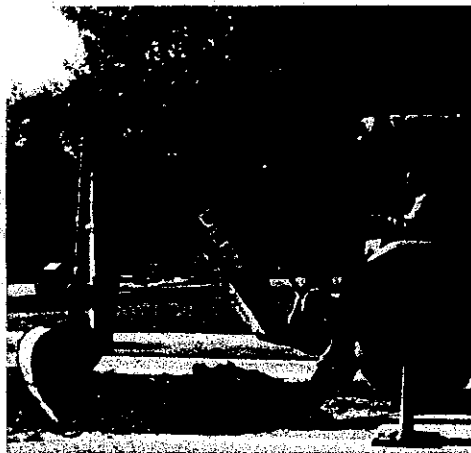
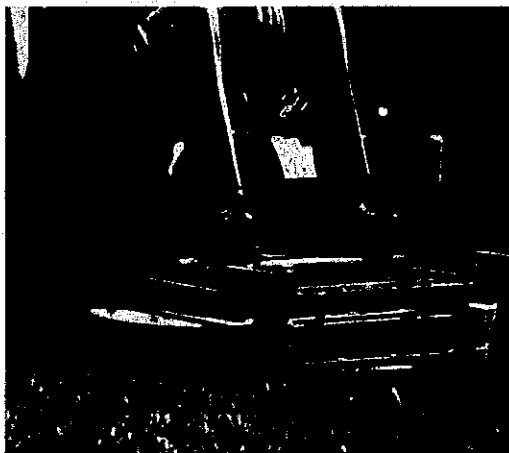
\$500 on direct damage claims

Various other deductibles apply based on the type and size of equipment covered.

FEATURE

- This coverage will provide the necessary boiler inspections required by Illinois statute.

SUMMARY OF COVERAGE: PORTABLE EQUIPMENT



COVERAGE

RMA portable equipment coverage (also known as inland marine) applies to damage to mobile property (machinery or equipment not licensed for use on roads or equipment that is easily moved from one location to another) caused by a covered peril. Covered perils may include: fire, vandalism, flood or earthquake. Examples of portable equipment:

- Street sweepers
- Backhoes
- Lawnmowers
- Drones
- Tractors
- Police vehicle equipment – light bars or radios
- Fire department turnout gear

LIMITS

Property – Auto Physical Damage – Portable Equipment (combined)	\$30 million any location, each occurrence; \$250 million each occurrence, all members
Flood and Earthquake (combined)	\$76.5 million annual aggregate, all members

DEDUCTIBLES

- \$500 each occurrence for portable equipment claims
- \$25,000 each occurrence for flood and earthquake claims

FEATURES

- The member has up to 60 days to report newly acquired portable equipment to RMA. There is no additional contribution for adding new equipment during the year.
- Members are asked to list all portable equipment valued over \$1,000. All equipment valued for less than \$1,000 is automatically covered for 10% of the total scheduled portable equipment value or up to \$150,000.
- RMA offers three types of valuations that our members may choose from:
 - Replacement Cost (RC) – cost to repair or replace with like kind and quality. RC will be limited to 130% of the value on file with RMA.
 - Actual Cash Value (ACV) – replacement cost less depreciation.
 - Functional Replacement (FR) – a value between RC and ACV.

SUMMARY OF COVERAGE: CRIME

COVERAGE

RMA crime coverage applies to employee theft or dishonesty, burglary (inside the premises), robbery (outside the premises), counterfeit money, depositor's forgery, computer fraud and funds transfer fraud.

LIMIT

Crime \$500,000 per occurrence

DEDUCTIBLE

\$500 each occurrence for crime claims

FEATURE

- RMA offers comprehensive crime coverage including computer fraud and funds transfer fraud:

Computer fraud is the unlawful taking of money, securities or other property through unauthorized entry into or deletion of data from a computer system committed by a third-party.

Funds transfer fraud is a fraudulent written or electronic instruction issued to a financial institution by a third-party directing the financial institution to transfer, pay or deliver money from an account maintained by a member, without the member's knowledge or consent.



SUMMARY OF COVERAGE: GENERAL LIABILITY

COVERAGE

RMA general liability and comprehensive general liability coverage includes bodily injury, property damage, personal injury and advertising injury caused by municipal operations, products or injury that occurs on the municipality's premises.

Types of general and comprehensive general liability covered:

- Law enforcement liability
- Intentional building removal
- Liquor liability—special events and host
- Firefighting liability
- Incidental medical malpractice
- Employment benefit program administration
- Employment practices (civil rights, discrimination, sexual harassment)
- Police impound (bailment) liability

LIMITS

General and Comprehensive General Liability	\$8 million each occurrence, \$16 million annual aggregate
Law Enforcement and Firefighting Liability	\$8 million each occurrence, \$16 million annual aggregate
Employment Practices	\$8 million each occurrence, \$16 million annual aggregate
Liquor Liability—special events and host	\$1 million each occurrence, \$1 million annual aggregate
Fire Legal Liability	\$100,000 each occurrence, \$100,000 annual aggregate
Police Impound Liability	\$100,000 each occurrence for automobiles and watercraft; \$50,000 each occurrence for any other property
Premises Medical Payments	\$3,000 each person, \$1 million each occurrence
Limited Pollution Coverage - includes pollution caused by vehicles or portable equipment, road treatment, swimming pool treatment, herbicide and pesticide application and water and sewer operations	\$50,000 each occurrence, \$50,000 annual aggregate
Unmanned Aircraft (Drone) Liability	\$50,000 each occurrence, \$50,000 annual aggregate
Non-Monetary Legal Defense Only	\$25,000 annual aggregate
COVID-19 Organic Pathogen Defense Only	\$50,000 each occurrence/\$50,000 annual aggregate

DEDUCTIBLE

\$0 for general liability claims other than liquor liability; \$5,000 each loss for all liquor liability claims

FEATURES

- RMA offers only occurrence based coverage to our members. Occurrence policies protect members from any covered incident that “occurs” during the coverage period, regardless of when a claim is filed. An occurrence policy will respond to claims that come in – even after the policy has been canceled – so long as the incident occurred during the period in which coverage was in force. In effect, an occurrence policy offers permanent coverage for incidents that occur during the policy period.
- Most other commercial carriers only offer claims-made coverage which provides for claims only when both the alleged incident and the resulting claim happen during the period the coverage is in force. Claims made to the commercial carrier after the coverage period ends will not be covered, even if the alleged incident occurred while the policy was in force. A claims-made policy will cover claims after the coverage period only if the member purchases extended reporting period or “tail” coverage.
- Optional endorsements a member may request: (separate limits may apply)
 - Urban Bus or Van Coverage
 - Electric Utility Liability
 - Fireworks General Liability Coverage
 - Liquor Liability—regular selling of alcohol

SUMMARY OF COVERAGE: PUBLIC OFFICIALS LIABILITY



COVERAGE

RMA public officials liability coverage protects the elected, appointed, paid and unpaid employees (other than professional employees) for their wrongful acts, errors and omissions while acting on behalf of the member municipality.

LIMIT

Public Officials Liability	\$8 million each occurrence, \$16 million annual aggregate
Non-Monetary Legal Defense Only	\$25,000 annual aggregate
COVID-19 Organic Pathogen Defense Only	\$50,000 each occurrence/\$50,000 annual aggregate

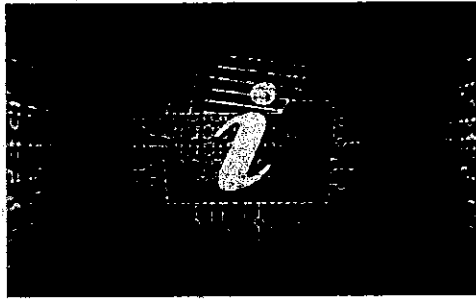
DEDUCTIBLE

\$0 for public official claims

FEATURE

- Just like our general liability coverage, RMA offers only occurrence based coverage for public officials liability.

SUMMARY OF COVERAGE: CYBER LIABILITY



COVERAGE

RMA offers coverage for liability associated with cyber losses. The coverage will respond to incidents that involve breaches of a municipal computer system from either inside or outside the system. RMA will also cover Payment Card Industry Data Security Standard (PCI or PCI DSS) penalties or fines associated with violations of the rules for credit card compliance.

LIMITS

Cyber Liability Coverage \$250,000 each occurrence, each member, all applicable coverages
 \$5 million annual aggregate all members

Included coverages:

Privacy and Security Liability and Regulatory (*claims-made*)

Security Breach Response Coverage (*claims-made*)

PCI DSS Assessments Coverage (*claims-made*)

Cyber Extortion Threats (*claims-made*)

Business Income Loss and Digital Access Restoration (*claims-made*) - Waiting Period 8 hours

*Claim preparation costs applicable to Business Income Loss - \$10,000 each loss

Multimedia Liability (*claims-made*)

DEDUCTIBLE

\$5,000 each loss for cyber liability claims

FEATURES

- We understand that our members' computer systems may be open to a wide range of exposures. RMA coverage offers basic protections that our members need for today's world.
- Higher limits (up to \$1 million) available upon request.
- Access to exclusive Brit DataSafe online risk management resources:
 - > Training resources - online training courses specific in HIPAA and PCI.
 - > Knowledge center - over 500 online sample policies, guidance on vendor risks and laws.
 - > Cyber fitness check - assess your organizations cyber posture.
 - > 24/7 breach hotline - experienced professionals available during crucial hours after a breach.

SUMMARY OF COVERAGE: AUTOMOBILES

COVERAGE

RMA offers two types of coverage for municipal automobiles.

1. Automobile liability – covers all liability from owned and non-owned vehicles as well as hired automobiles on file with RMA. Coverage is for bodily injury, property damage, medical payments and uninsured/underinsured accidents.
2. Automobile physical damage – covers any comprehensive or collision claims for automobiles involved in accidents. The automobiles must be on a schedule with RMA. All automobiles are valued at actual cash value (ACV). Firefighting automobiles may be valued at replacement cost (RC) or functional replacement (FR).

LIMITS

Street Sweeper covered here.

Automobile Liability	\$8 million each occurrence
Automobile Medical Payments	\$10,000 each person, \$1 million each occurrence
Uninsured/Underinsured Motorist	\$100,000 each person, \$300,000 each accident
Auto Physical Damage—Property—Portable Equipment (combined)	\$30 million any location, each occurrence; \$250 million each occurrence all members

DEDUCTIBLES

\$0 for automobile liability claims

\$500 each occurrence for automobile physical damage claims

FEATURES

- Members should report the acquisition of new vehicles within 90 days of receipt. There is no additional charge for adding vehicles to coverage lists.

- RMA offers three types of valuations for firefighting vehicles:

Replacement Cost (RC) – cost to repair or replace with like kind and quality.

Please be aware that each member will be required to provide a replacement cost value for their firefighting vehicles which will be limited to 130% of the value scheduled with RMA.

Actual Cash Value (ACV) – replacement cost less depreciation.

Functional Replacement (FR) – a value between RC and ACV. For example: If a member has a 1996 fire truck that is lost in an accident, the member may wish to replace it with a 2009 fire truck.

- RMA offers rental reimbursement for all covered vehicles. The number of days allowed for the rental will be the lesser of the number of days to reasonably repair, replace or in case of theft return the vehicle or up to a maximum of 30 days. RMA will reimburse the lesser of any necessary and actual expenses incurred up to a maximum of \$75 per day.

SUMMARY OF COVERAGE: WORKERS' COMPENSATION

COVERAGE

Workers' compensation coverage with RMA includes protection for all work-related injuries or diseases, all compensation and other benefits required by the Illinois Workers' Compensation Act. The coverage also provides employers liability which protects employers from negligence claims brought by injured employees or spouses.

LIMITS

Workers' Compensation	Statutory limits as provided in the IL Workers' Compensation Act (820 ILCS 305)
Employers Liability	\$3 million each accident

DEDUCTIBLE

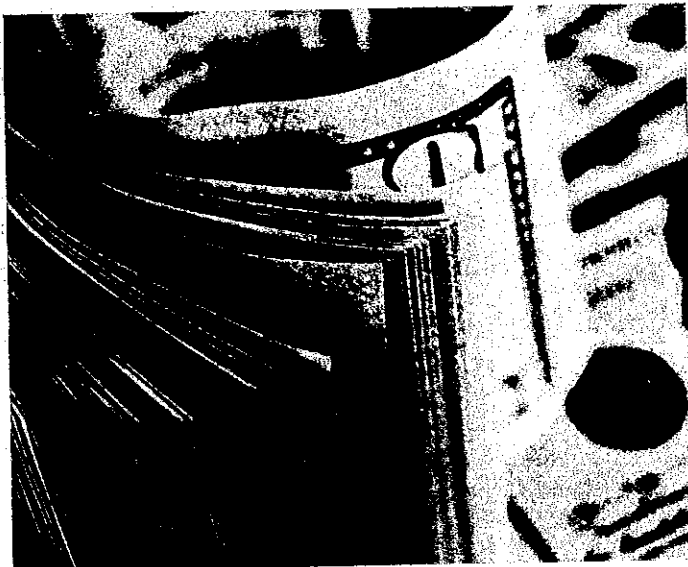
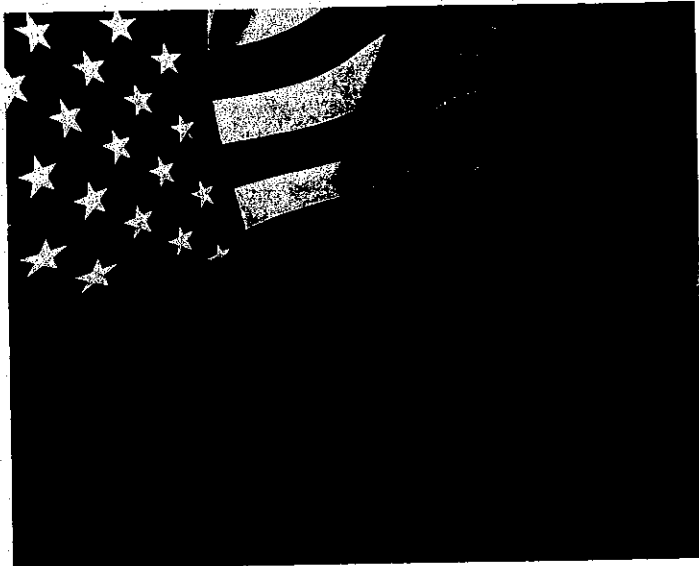
\$0 for workers' compensation claims

FEATURE

- RMA will ask for estimated and actual payroll values from each member, but you will not receive a payroll audit bill for the difference between the estimated and actual payroll after the coverage year starts.
- RMA medical bill review process provides a 57% savings.
- Nurse case managers assist your injured employees throughout the medical process, from answering questions to guidance through their treatment plan.
- Access to a Workers' Comp Kit® - online self-evaluation that will help assess how your loss control program aligns with best practices and benchmarks losses against your peers. After your evaluation, you can access presentations, forms and worksheets to help reduce the cost of claims after they have occurred.



SUMMARY OF COVERAGE: PUBLIC OFFICIAL BONDS



COVERAGE

Illinois statutes (65 ILCS 5/3.1-10-30) require some municipal officials to have a bond to hold their position, conditioned on the faithful performance of the duties of the office. RMA offers bonds for various positions that are required by statute and the member may add positions that may be required by local ordinance. This coverage is offered upon request.

LIMITS

Bonds are available for these positions at no additional charge:

Mayor/Village President/Town President	\$50,000 annual aggregate
Clerk	\$50,000 annual aggregate
Administrator/Manager	\$50,000 annual aggregate
Treasurer	Greater of \$50,000 annual aggregate or three times population
Finance Officer/Comptroller	\$50,000 annual aggregate

DEDUCTIBLE

\$0 for public official bond claims

FEATURE

- Our members may add more municipal positions to the above list as required by local ordinance. Limits of up to \$1 million annual aggregate are also available upon request and for a modest additional contribution.

MEMBERSHIP SERVICES TEAM



Eric Little
West Central
Membership Specialist

Eric has been an RMA Membership Specialist since 2006.

Eric serves RMA members located in west central Illinois.

Eric attended Butler University before receiving his Bachelor's degree in Business Administration from Illinois College in Jacksonville. He also has his Illinois Property & Casualty Producer's license as well as Life & Health and Variable Contracts. He became a Certified Playground Safety Inspector (CPSI) in 2010.

Prior to RMA, Eric worked for several carriers in the insurance industry.

Eric's governmental experience includes serving as an elected official during a six year term as a county commissioner in Scott County, Illinois. He also served on various other local economic development and advisory boards.

Eric was born and raised in Winchester, Illinois, where he still lives today with his wife, Abbe and their two daughters. In his spare time, Eric enjoys basketball, biking, fishing and spending time with family and friends.

Eric can be reached at elittle@imlrma.org or (217) 836-6569.



Chris Korte
South & Southeast
Membership Specialist

Chris joined the RMA Membership Services Team in July 2017.

Chris serves RMA members located in south and southeastern Illinois.

Chris acquired his Bachelors of Science degree in finance with an insurance and risk management concentration from the University of Illinois.

With 30 years of insurance experience, Chris has a varied background in managing risk, marketing, field underwriting, management, consulting and sales.

Chris grew up in Tuscola, Illinois and moved back home after living and working in different parts of the country. He enjoys playing golf and attending ILLINI games in his spare time.

Chris can be reached at ckorte@imlrma.org or (217) 836-6612.



Aaron Golden
North & Northeast
Membership Specialist

Aaron joined the RMA Membership Services Team in February 2017.

Aaron serves north and northeastern Illinois RMA members.

Aaron attended Illinois State University and has Bachelor's degrees in political science and insurance. He has also obtained the CPCU, AIC, and AINS professional insurance designations and holds an Illinois Property & Casualty Producers license.

Prior to working for RMA, Aaron spent nine years working for State Farm Insurance as a customer service specialist, a quote and bind producer, and a catastrophe claims adjuster.

Aaron grew up in Danville, Illinois and has moved back home after spending the last several years in Oklahoma. In his spare time, Aaron enjoys kayaking, working out, and following sports.

Aaron can be reached at agolden@imlrma.org or (217) 474-2919.

RISK MANAGEMENT & LOSS CONTROL TEAM



Blaine Kurth

Northern Region
Loss Control Specialist

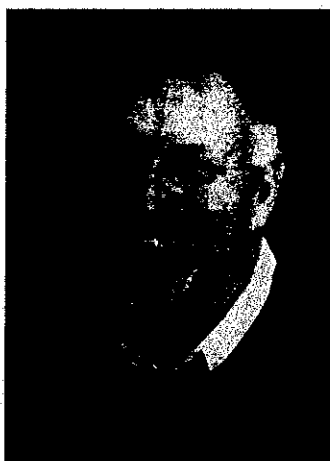
Blaine has been providing loss control services to RMA members since 1996.

After graduating from Illinois State University in 1994 with a Bachelor's degree in occupational safety and health, Blaine worked with commercial and residential construction and focused on ergonomics.

Blaine's duties include providing safety inspections and assessing hazards for members, providing on-site safety training, reviewing or assisting in creating written safety policies and procedures, conducting park and playground inspections, teaching work zone safety and certified flagger courses and conducting ergonomic assessments.

In his spare time, Blaine enjoys music and spending time outdoors with his wife and two daughters.

Blaine can be reached at bkurth@imlrma.org or (217) 841-2445.



Jim Closson

Southern Region
Loss Control Specialist

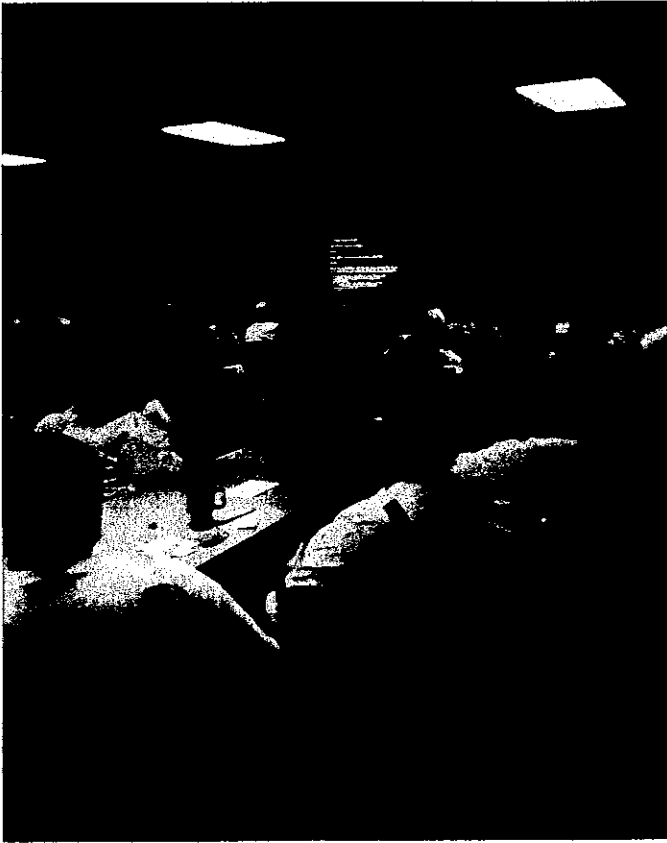
Jim has been providing loss control services to RMA members since 2002.

Jim assists members with hazard identification, employee trainings, safety committee development, public liability inspection of parks and sidewalks and development of workers' compensation cost-savings programs (early return to work). Jim teaches the Illinois Department of Transportation (IDOT) flagger class, assists members with Illinois Department of Labor (IDOL) compliance regarding required trainings. In 2015, Jim implemented a police focus group made up of southern RMA members, which meets to assist with law enforcement risk management issues. Jim is also a former risk management coordinator with the City of Mattoon.

Jim is a graduate of Eastern Illinois University, is married with four children and lives in Mattoon. In his spare time, Jim enjoys officiating high school football games.

Jim can be reached at jclosson@imlrma.org or (217) 254-9038.

RISK MANAGEMENT & LOSS CONTROL SERVICES



RMA PROVIDES PROFESSIONAL RISK MANAGEMENT AND LOSS CONTROL SERVICES AT NO ADDITIONAL COST TO YOU

We don't just pay claims.

We help you prevent claims, reduce costs and keep your employees safe, healthy and productive all while keeping your community and residents safe.

RMA loss control specialists have a combined total of more than 40 years of experience providing loss control services for RMA members. They are committed to delivering quality and effective services by working closely with your municipal officials, department heads and supervisors throughout the safety training process.

RISK MANAGEMENT & LOSS CONTROL SERVICES

ON-SITE TRAINING FOR TOPICS REQUIRED BY ILLINOIS OSHA:

- Accident Investigation and Prevention
- Bloodborne Pathogens
- Confined Space Entry and Rescue
- Control of Hazardous Energy/Lockout/Tagout
- Defensive Driving
- Ergonomics
- Eye Safety
- Hazardous Communication (Hazcom)
- Hearing Conservation
- Personal Protective Equipment (PPE)
- Respirator Training
- Excavation (Trenching and Shoring)

ONLINE TRAINING AVAILABLE AT YOUR EMPLOYEES' CONVENIENCE

Self-paced online training on more than 150 titles free of charge and available 24/7 from any location. These courses will also help you stay in compliance with Illinois Department of Labor (IDOL) regulatory requirements for topics like: Back Injury Prevention, Bloodborne Pathogens, Confined Spaces, Excavation/Trenching/Shoring, Fall Protection, Hazard Communication, Job Safety Analysis, Lockout/Tagout, PPE, Respiratory Protection, Sexual Harassment and Workplace Violence.

SAMPLE EMPLOYEE HANDBOOK

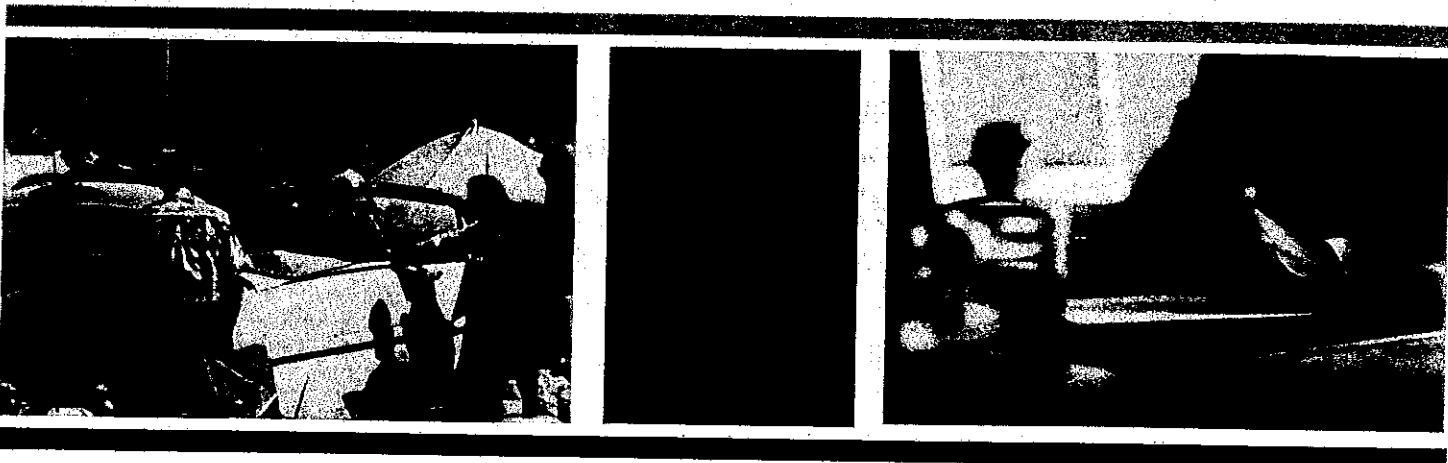
This sample handbook can serve as a resource to assist in creating or updating your current employment-related policies and procedures. Adopting an employee handbook and related policies helps protect both the municipality and its employees.

CONTRACT REVIEW

Our staff will review contracts before you sign them to point out problematic liability language that could put your municipality at risk.

SPECIAL EVENT REVIEW

Special event reviews will help you recognize and prevent hazards to participants and spectators. Contact our staff for helpful checklists and advice before your next event.



RISK MANAGEMENT & LOSS CONTROL SERVICES

BUILDING EVALUATIONS

Building evaluation services ensure your municipal properties are adequately covered. RMA has the ability to evaluate some of your buildings and provide you with proper values.

VOLUNTEER COVERAGE

RMA has partnered with EPIC Insurance Midwest and AIG to provide members with a program to help provide accident coverage for volunteers if they are injured while performing municipal volunteer work.

Coverage includes accidental medical expense benefits delivered on either a primary or excess basis, accidental death and dismemberment benefits, weekly accident indemnity benefits and a catastrophic cash benefit for paralysis or coma. Coverage is subject to a \$500 minimum premium.

PROGRAM DEVELOPMENT ASSISTANCE

RMA loss control specialists are able to help develop inspection programs for facilities, sidewalks, signage, water meter lids and other liability exposures.

TULIP

Access to the Tenant User Liability Insurance Program (TULIP) allows resident users of your municipal facilities to purchase affordable liability coverage that protects your municipality from their negligent acts.

SERVICE ACTIVITIES

RMA has been covering Illinois municipalities since 1981. Below are some of the ways we actively serve our members. You will not find any other carrier that can match RMA's service.

- Conducted on-site member service and loss control visits
- Conducted loss control-specific trainings for thousands of municipal employees and supervisors on important topics ranging from accident investigations to IDOL/OSHA-required topics like bloodborne pathogens and PPE, to defensive driving and public liability issues.
- Covered 2,500+ firefighters, 3,000+ law enforcement and 13,200+ other municipal employees
- Reviewed contracts for risk management and public liability issues
- Provided access to online loss control training
- Conducted on-site building evaluations
- Conducted several special event reviews
- Inspected recreational facilities including parks and playgrounds
- Participated in safety committee meetings
- Conducted safety policy reviews
- Participated in safety program development

RMA CLAIMS INFORMATION

LOSS NOTICE REPORT	
ALL CLAIMS OTHER THAN WORKERS COMPENSATION	
<small>(PLEASE PRINT OR TYPE)</small>	
IMLRMA MEMBER INFORMATION	MUNICIPALITY:
	NAME OF PERSON WITH INFORMATION ON THE LOSS:
DATE AND PLACE OF INCIDENT	TITLE:
	DATE AND HOUR OF LOSS:
	LOCATION / ADDRESS OF INCIDENT?
	CITY:
	POLICE REPORT FILED? IF YES, WHICH POLICE AGENCY?
	FULL NAME:
	FULL ADDRESS:

ILLINOIS FORM 45: EMPLOYER'S FIRST REPORT OF INJURY			
<small>Please type or print</small>			
Employer's FEIN	Date of report	Case or file #	Is this a lost workday case? Yes <input type="checkbox"/> No <input type="checkbox"/>
Employer's name		Doing business as	
Employer's mailing address			Employer's email address
Nature of Business or Service			SIC Code
Name of Workers' Compensation Carrier/Admin.		Policy/Contract #	Self Insured? YES <input checked="" type="checkbox"/>
Illinois Municipal League Risk Management Association			

Coverages in the RMA program are designed to protect municipal employees, assets and property. We hope you never have to use your coverage protection, but accidents and unexpected events do happen. When they do, RMA and our claims service professionals are here to help you recover as quickly as possible. We have highly experienced claims staff and defense attorneys who work for our members to bring about positive solutions.

All RMA members are encouraged to submit claims via the Internet Claims Edge (ICE™). ICE™ is a state-of-the-art online reporting tool that allows RMA members to submit claims quickly. By using ICE™, you are able to:

- Report claims immediately and securely through the Internet.
- Use "form filler" to quickly print out any additional forms you will need to complete, such as the IL Form 45.
- Receive an immediate notification of receipt of your claim.
- View, edit or delete initial report forms.
- Print a "transaction register" that shows what payments have been made on behalf of your municipality.
- Search completed initial reports by claimant last name, date of loss, report type or input date.
- Communicate with the claim adjuster on a specific claim and attach additional information.

MAIN CLAIMS OFFICE
 IML Risk Management Association
 c/o CCMSI
 550 West Van Buren Street, Suite 1200
 Chicago, IL 60607

Phone: (866) 908-9230
 Fax: (312) 455-6477

TESTIMONIALS

RMA IS THE BEST RISK MANAGEMENT PROGRAM AVAILABLE FOR ILLINOIS MUNICIPALITIES.

But don't just take our word for it—here are some of the things our members have said:

"We have enjoyed tremendous support from the Illinois Municipal League Risk Management Association (RMA), and we have always been impressed with their pricing, administrative support and proactive risk management practices. But the true test of any insurance is how claims are handled. The RMA team was here immediately to help us assess the damage and they processed payments for the repairs quickly and fairly. RMA was a great help."

J. Drew Hoel, City Administrator, City of Tuscola
(Douglas County) population 4,480

"Risk management is most effective when proactive. RMA loss control partners with us to educate and train employees, evaluate all city locations and provide customized safety suggestions. Our RMA loss control specialist is the city's default risk management coordinator."

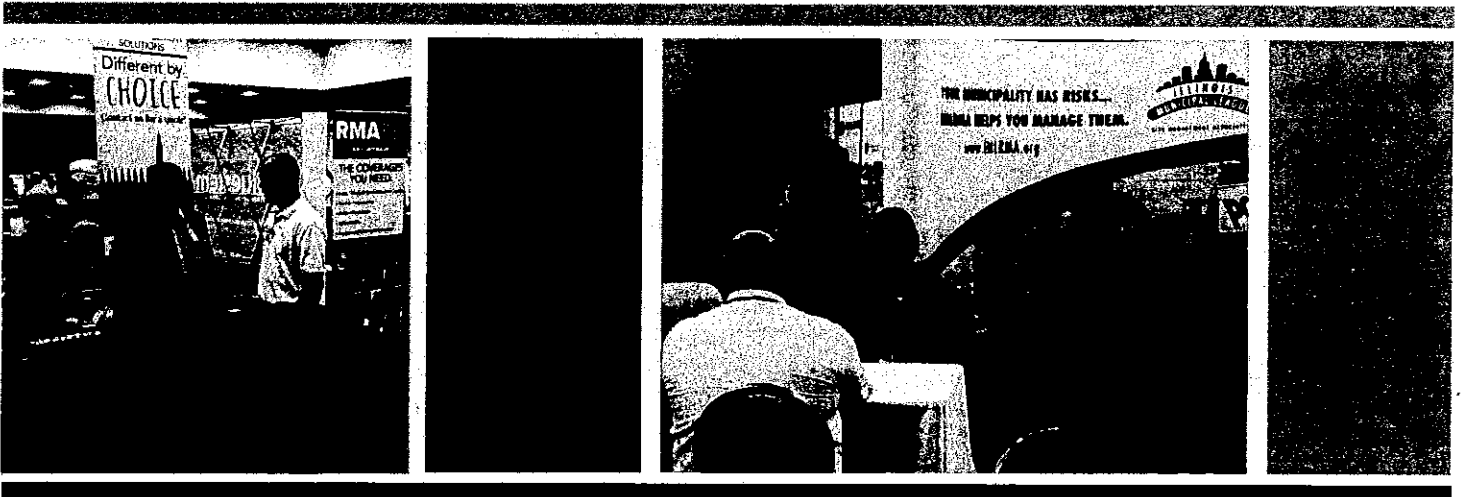
Hal Patton, Mayor, City of Edwardsville
(Madison County) population 26,631

"While the health and safety of our employees is one of our most important priorities in the Village of Beach Park, sound financial management is mission critical. Last year we tested the market for risk management services and reaffirmed that the Illinois Municipal League Risk Management Association (RMA) will remain our risk management partner. The excellent customer service provided in the areas of claims processing, training, and general questions about coverage is essential for the administration, management and prevention of potential loss to the village. We are pleased to have a relationship with RMA that is built on trust, transparent communication and the common goal of excellent public financial stewardship."

John Hucker, Village President, Village of Beach Park
(Lake County), population 13,638

"When it comes to professionals, you need to look no further than RMA. It is a pleasure to work with such a reputable organization as yours."

Ricky J. Gottman, Mayor, City of Vandalia
(Fayette County) population 7,042



DEFINITIONS & EXCLUSIONS

DEFINITIONS

The following definitions apply to the description of covered risks set forth in this proposal:

1. The term "claim" shall mean written or oral notice from any party with the intention of such party to hold the member responsible for a wrongful act to a person or property.
2. The term "occurrence" means an accident which results in bodily injury or property damage that was not intended. When multiple injuries occur due to the same conditions, there is only one occurrence.

EXCLUSIONS

- Public transit systems; urban bus or van (any vehicle that picks up, transports and discharges passengers at regular and frequent local stops along a prescribed route). Some coverage by endorsement.
- Mechanical amusement devices; automobile or motorcycle racing or rodeos
- Professional liability, unless the professional is an employee of the municipality
- Hospitals, nursing homes, clinics, infirmaries or sanitariums, including nurses' and physicians' medical malpractice
- Pension boards, their trustees, commissioners and public officials
- Electric or gas utility operations and airport operations (electric utility liability available by endorsement)
- Pollution-related damage, including sudden and accidental
- Condemnation or inverse condemnation
- War liability; bodily injury or property damage
- Nuclear liability
- Housing authorities
- Landfills (premises liability is covered)
- Bridges across a navigable body of water – excluded for liability coverage (premises liability is covered)
- Bridges – excluded for property coverage, unless specifically reported by the member and accepted for coverage by RMA; coverage is limited to the stated value and in no event more than \$500,000 per bridge
- Asbestos, toxic mold, lead and silica
- Terrorism; applies to all liability and property coverages only after a total of \$25 million in terrorism losses are sustained by all persons/entities in the United States
- Railroads
- Fireworks (fireworks liability can be added back for additional contribution, upon application)
- Regular furnishing of alcoholic beverages except for special events not exceeding five consecutive days and host coverage (regular furnishing can be added back for additional contribution, upon application)

COVERAGE OVERVIEW

MUNICIPALITY: City of Lebanon

PRESENTED BY: Chris Korte, Membership Specialist

Property	\$10,039,365 \$2,500 deductible \$50,000 flood/earthquake deductible	\$24,372,026 \$500 deductible \$25,000 flood/earthquake deductible
Portable Equipment	\$383,999 \$1,000 deductible	\$610,961 \$500 deductible
Crime	\$500,000 \$1,000 deductible	\$500,000 \$500 deductible
General Liability (including umbrella)	\$8 million/\$10 million \$1,000 deductible	\$8 million/\$16 million \$0 deductible
Employee Benefits Liability (including umbrella)	\$8 million/\$8 million \$2,500 deductible Claims made	\$8 million/\$16 million \$0 deductible Occurrence
Law Enforcement Liability (including umbrella)	\$8 million/\$10 million \$2,500 deductible	\$8 million/\$16 million \$0 deductible
Public Officials Liability (including umbrella)	\$8 million/\$8 million \$2,500 deductible Claims Made	\$8 million/\$16 million \$0 deductible Occurrence
Employment Practices Liability (including umbrella)	\$8 million/\$8 million \$2,500 deductible Claims Made	\$8 million/\$16 million \$0 deductible Occurrence
Automobile Liability (including umbrella)	\$8 million per occurrence \$0 deductible	\$8 million per occurrence \$0 deductible
Automobile Physical Damage	\$807,535 (rated on cost new) \$1,000 deductible	\$280,732 (rated on ACV) \$500 deductible
Workers' Compensation (estimated payroll)	\$1,610,582	\$1,610,582
Employers Liability	\$3 million	\$3 million
Public Official Bonds	Included under Crime up to the statutory limit or policy limit, whichever is less	\$50,000 each Village President, Clerk and Treasurer
Equipment Breakdown	\$10,039,365 \$2,500 deductible	\$24,372,026 \$500 deductible
Cyber Liability	\$1 million \$5,000 deductible	\$250,000 \$5,000 deductible

CITY OF LEBANON RMA PRICING OVERVIEW

COVERAGE EFFECTIVE: December 1, 2021

Normal Guaranteed Cost RMA Annual Contribution	\$139,485
MIN/MAX Risk Sharing Price Option	
Minimum Contribution:	\$124,525
Maximum Contribution:	\$169,405

COVERAGE	RMA CONTRIBUTION
Property (Including Mine Subsidence and Ordinance or Law)	\$36,101
Portable Equipment	\$762
Crime (At Increased Limit of \$500,000)	\$3,750
General Liability (Including Law Enforcement & Public Officials Liability)	\$27,649
Automobile Liability	\$8,259
Automobile Physical Damage	\$1,041
Workers' Compensation	\$57,414
Public Official Bonds	Included
Equipment Breakdown	\$4,509
*Increased Cyber Limits to \$1,000,000 (12/1/21—1/1/22) *subject to reinsurance approval	Included
Please note that we do not have a quote for the increased cyber limits past 1/1/22 to share at this time. Once received, we will provide this additional quote to you.	
*Normal Guaranteed Cost RMA Annual Contribution	\$139,485
*Quote subject to reinsurance acceptance	

<p>#1) MIN/MAX Risk Sharing Pricing Option</p> <p>Minimum Contribution:</p> <p>Maximum Contribution:</p>	<p>\$124,525</p> <p>\$169,405</p>
<p>Option to participate in the RMA's MIN/MAX risk-sharing program. The Min/Max program enables a member municipality to share in the financial results (success or failure) of their individual claim experience.</p>	
<p>By accepting the Min/Max proposal, the City of Lebanon agrees to pay the minimum contribution amount of \$124,525. If paid losses exceed the minimum loss fund of \$84,772, the City of Lebanon agrees to pay all losses, dollar for dollar, up to the maximum contribution amount of \$169,405. The City of Lebanon's annual contribution will not exceed \$169,405 nor go below \$124,525, regardless of the total amount of losses paid. More detail on this option and the potential financial benefits will be provided upon request.</p>	
<p>#2) Optional Prior Acts Coverage for Public Officials Liability, Employment Practices Liability, and Employee Benefits Liability</p>	<p>\$7,174</p>
<p>#3) 1% Early Pay Renewal Discount</p> <p>By paying your renewal contribution approximately 30 days prior to the annual due date, you receive an <u>additional savings</u> of 1% off your annual contribution. (Contribution must be paid in full to receive the discount.)</p>	<p>-\$1,394.85</p>

FAQS – COMPARISONS OF DEDUCTIBLE AMOUNTS

19 hypothetical losses/loss amounts for a coverage period	Deductible Selected by You or the Carrier						
	\$500 IMLRMA	\$1,000	\$5,000	\$10,000	\$25,000	\$50,000	\$100,000
5 Auto Physical Damage losses of \$1,000 each	\$2,500	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000
5 Property losses of \$5,000 each	\$2,500	\$5,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000
5 General Liability losses of \$10,000 each	\$0	\$5,000	\$25,000	\$50,000	\$50,000	\$50,000	\$50,000
2 Public Officials' Liability losses of \$25,000 each	\$0	\$2,000	\$10,000	\$20,000	\$50,000	\$50,000	\$50,000
2 Workers' Compensation losses of \$200,000 each	\$0	\$2,000	\$10,000	\$20,000	\$50,000	\$100,000	\$200,000
Total additional amount you will incur above your initial contribution/premium for the coverage period	\$5,000	\$19,000	\$75,000	\$120,000	\$180,000	\$230,000	\$330,000

Important things to keep in mind about deductibles:

Amount: The higher the deductible, the less you may pay up-front, but the more you will incur for the losses you have.

Lines of coverage: RMA's deductibles apply to property, inland marine, and auto physical damage coverages. Some carriers include or require deductibles for other lines of coverage, such as general liability, employment practices liability, law enforcement liability, auto liability, and Workers' Compensation, umbrella and excess. For purposes of this comparison, we are using RMA deductibles and assuming that the comparing carrier has deductibles for all lines and has deductibles available for all amounts shown.

Expected number of losses: It's tempting to accept high deductibles when you see what your up-front savings can be. However, you should estimate the number of losses you're likely to have and budget for the deductible amounts you will incur and add those amounts to the up-front costs to get a true picture of what you could ultimately pay throughout the year. Keep in mind that you can't predict the number of claims you have. If you actually have fewer claims than you thought, that's great. But if you underestimate the number of claims, you will incur additional deductible costs later.

Your loss control efforts: If you choose higher deductibles, you should make sure that the carrier offers you quality loss control services to help you reduce the number of claims you'll have and minimize their severity. Check to see if the costs for the loss control services are included in the quote and budget accordingly. Also ask about the quality of the loss control services.

RMA's \$500 deductibles are another way that we help you achieve budget stability.

FAQS – COINSURANCE PROVISIONS

Co-insurance provisions are tricky to understand.

The fact that **RMA does not have a coinsurance provision** is a tremendous benefit to you, and the difference can determine whether you incur a penalty if you have a covered property loss.

Coinsurance provisions require that you carry enough coverage on your property. If you undervalue your property and don't carry enough coverage, the co-insurance percentage (anywhere from 80% to 100%) will be used to reduce the amount your carrier will pay you in the event of a covered loss. In effect, you will be "co-insuring" or partially self-funding the loss. If you didn't budget for this kind of contingency when you were setting your municipal budget, you could be in for a bad surprise.

As you will see from the example below, when your coverage includes a co-insurance provision, it is important to value your property correctly, and to keep property values updated. If you don't, then depending on how much you undervalue your property and how large the claim is, you could be penalized severely.

For example:

- You estimate your city hall's replacement value to be \$500,000.
- After you have a loss, your carrier tells you that the building's replacement cost is actually \$1,000,000.

Depending on the co-insurance percentage required and the amount of your loss, you would be penalized and not receive the full amount of your loss as shown below:

Coinsurance %	Amount of a \$50,000 loss your carrier would pay	Amount you would incur as a result of the penalty	Amount of a \$400,000 loss your carrier would pay	Amount you would incur as a result of the penalty
80%	\$31,250	\$18,750	\$250,000	\$150,000
90%	\$27,778	\$22,222	\$222,222	\$177,778
100%	\$25,000	\$25,000	\$200,000	\$200,000

Not only does RMA not have a co-insurance provision, but we also value your buildings for you.

So if we make a mistake in valuing your buildings, we won't penalize you when it comes time to pay you for a covered loss.

This is just one more way RMA helps you achieve budget stability

Claims-made vs. Occurrence-based Liability Coverages

As public officials, it is important to understand both claims-made coverage and occurrence-based coverage when considering quotes from other insurance providers. **Don't assume that coverage under claims-made coverage is the same as coverage under an occurrence-based coverage, even if the limits are identical. The decision to accept claims-made coverage is a gamble your municipality may not want to take.**

OCCURRENCE-BASED COVERAGE

The Illinois Municipal League Risk Management Association (RMA) provides occurrence-based liability coverage for public officials. Some features of occurrence-based coverage include:

- a. Coverage continues even after the policy has ended. In other words, an occurrence-based policy pays for claims that happen during the policy period – regardless of when the claim/suit is filed. For example, if a covered incident occurred during your RMA 2020 coverage year, but the claim/suit wasn't filed until several years later, the occurrence-based coverage would allow for coverage of that claim/suit.
- b. There are no hidden costs. Occurrence-based coverage is a fixed cost. For example, when you pay the 2020 contribution for RMA's occurrence-based coverages, you won't have to pay more if a claim is discovered later.
- c. You can file a claim on coverages years after they expire for an incident that occurred when they were active.

CLAIMS-MADE COVERAGE

Other insurance providers write liability coverages on a claims-made basis. Some features of claims-made coverage include:

- a. Coverage is available only during the policy period. There is only coverage for claims filed and reported during the policy period. If you have an incident in 2020 but the claim/lawsuit isn't filed until 2022, there is **no coverage** for the claim/suit under the 2020 policy.
- b. There is no guaranteed continued insurability. With claims-made coverage, once the policy ends and you stop paying premiums, your coverage ends. You run the risk of not being covered for a potential claim because it was not discovered until after the policy expired.

- c. Coverage gaps may occur. It's difficult to cancel a claims-made policy without having possible coverage gaps unless you have an unlimited or full extended reporting period. Unfortunately, a 90-day, 1-year or even 5-year extended reporting period is simply not enough on public officials' liability incidents. In addition, you must make sure that the language of the extended reporting period doesn't limit you to claims that were reported during the policy period or within 60- or 90-days of its expiration.
- d. Quotes that include claims-made coverages generally cost less up front because claims-made coverages provide less protection and are therefore less expensive. The cost increases over a period of several years because the chance for reporting a claim increases.
- e. There are hidden costs that aren't explained in the initial quote. If your municipality changes providers, if the provider doesn't renew your coverage or if the provider stops writing municipal policies, you would need to buy an extended reporting period endorsement. Unfortunately, extended reporting periods are often limited, and the cost to purchase unlimited or full extended reporting period coverage can be 200% to 300% of your annual premium. Another option is to purchase "prior acts coverage" from a new provider with a retroactive date to the day you first started the claims-made coverage policy; RMA offers "prior acts coverage" as an option to new members.

COMPARING THE COSTS OF CLAIMS-MADE VS. OCCURRENCE-BASED COVERAGE

It's very difficult to adequately compare the value of two quotes when one insurance provider offers claims-made coverage and the other offers occurrence-based coverage.

In order to be as protected as possible, you should require all quotes to be submitted using occurrence-based coverage only.

However, if a provider can't or won't quote occurrence-based coverage, ask for the cost of an unlimited or full extended reporting period. However, doing so will not provide the same kind of protection as occurrence-based coverage.

In summary, **claims-made policies provide far less coverage than occurrence-based policies.** Public officials should always insist that any carrier provide them with occurrence-based liability coverage; RMA offers occurrence-based liability coverage on all policies.