

**Illinois Heartland Library System**

TO: IHLS Board of Directors
FROM: Leslie Bednar
DATE: May 21, 2025
RE: FY2026 Liability Insurance

Background

IHLS partnered with Arthur Gallagher to use their professional services as our liability insurance broker for the FY2026 liability insurance plans. IHLS requested proposals using our current year plan as the minimum requirements for the proposal process. Below are the results of the liability insurance proposals Arthur Gallagher obtained on our behalf. The current proposal costs are within the budgeted amounts for FY2026.

<u>IHLS Insurance Carrier Quotes</u>							
<u>Type of Coverage</u>	<u>Current Carrier Selective*</u>	<u>Summit</u>	<u>Ascot</u>	<u>Hartford</u>	<u>Auto Owners</u>	<u>Encova</u>	<u>West Bend</u>
Commercial Auto	\$57,493	Did not quote	Declined	Declined	No Response	No Response	No Response
Workers' Compensation	\$88,107	\$158,321.81	Declined	Declined	No Response	No Response	No Response
Total	\$145,600	\$158,321.81	-	-	-	-	-

*The individual premiums listed are quoted as an acceptance of the entire package only.

As a comparison, in FY2025, we have paid a total of \$51,928 to Selective Insurance for commercial auto coverage and \$72,431 for workers' compensation insurance. These costs reflect the impact of our claims history as well as the rising rates in the market, which have contributed to the overall increase in insurance expenses.

The carriers listed declined to quote or did not respond to an invitation to quote the insurance package due to the current high experience modification and losses.

Recommendation for IHLS Liability Insurance Plans

IHLS staff recommend Selective Insurance, as they provided the lowest bid for workers' compensation coverage and were the only carrier to submit a proposal for all insurance policies.

Thank you, and please let me know if you have any comments or questions.

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