

**Illinois Heartland Library System**

TO: IHLS Finance Committee
FROM: Leslie Bednar
DATE: May 9, 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 that 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>Ascot</u>	<u>Hartford</u>	<u>Auto Owners</u>	<u>Encova</u>	<u>West Bend</u>
Commercial Auto	\$57,493	Declined	Declined	Awaiting Review	Awaiting Review	Awaiting Review
Workers' Compensation	\$88,107	Declined	Declined	Awaiting Review	Awaiting Review	Awaiting Review
Total	\$145,600	-	-	-	-	-

*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.

Since carriers will not begin accepting applications for renewal reviews until 60 days before the renewal date (May 2), obtaining quotes in time for the May committee meetings is challenging. The broker anticipates receiving the other carrier's response next week, and this table will be updated in the board packet for the final vote.

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

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