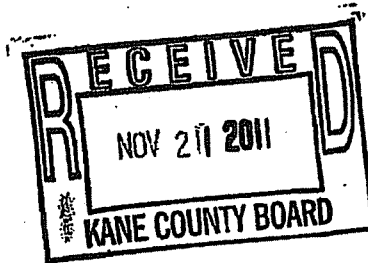


County of Kane
Office of County Board
Kane County Government Center



Karen McConnaughay
Chairman
630-232-5930



719 Batavia Avenue
Geneva, Illinois 60134
Fax 630-232-9188

DOCUMENT VET SHEET
for
Karen McConnaughay
Chairman, Kane County Board

Name of Document: Client Authorization - Execution to Bind Coverage

Submitted by: Tim Keovongsak / Purchasing Dept.

Date Submitted: November 21, 2011

Examined by: Joseph F. Lulves
(Print name)
[Signature]
(Signature)
11-23-11
(Date)

Post on Web: Yes No Atty. Initials [JFL]

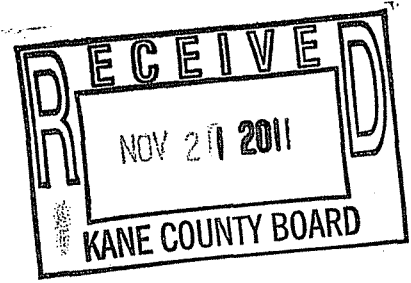
Comments:
Request approval and Chairman's signature for execution of attach Client Authorization to Bind County's Insurance Coverage. BID 09-055 Liability Insurance Broker - Resolution 11-351. Please notify Purchasing when available for pick up, x25929.

Attachment: Authorization to Bind Coverage

Chairman signed: Yes No _____
(Date)

Document returned to: _____

County of Kane
Office of County Board
Kane County Government Center



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Chairman
630-232-5930



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DOCUMENT VET SHEET

for

**Karen McConnaughay
Chairman, Kane County Board**

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(Print name)

(Signature)

(Date)

Post on Web: Yes ___ No ___ Atty. Initials _____

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Attachment: **Authorization to Bind Coverage**

Chairman signed: Yes No _____
(Date)

Document returned to: _____

Client Authorization to Bind Coverage

After careful consideration of Gallagher's proposal dated **October 19, 2011**, **Kane County** accepts your insurance program subject to the following exceptions/changes:

Please bind all policies as checked below:

Package

- Travelers Indemnity Company
- Brit/Lloyd's of London

Property

- Travelers Indemnity Company – Option 1
- Travelers Indemnity Company – Option 2

Boiler & Machinery

- Zurich American Insurance Company
- Federal Insurance Company

Employee Dishonesty

- Great American Insurance Group

Cyber Liability

- Travelers Indemnity Company
- Illinois National Insurance Company – Option 1
- Illinois National Insurance Company – Option 2

Excess Workers Compensation

- Citizens Management, Inc.
- Safety National Casualty Corporation – Option 1
- Safety National Casualty Corporation – Option 2
- Brit/Lloyd's of London – Option 1
- Brit/Lloyd's of London – Option 2

Excess Liability

- Evanston Insurance Company
- Essex Insurance Company

TPA

- Citizens
- Gallagher Bassett


Bind TRIA Terrorism coverage as quoted except for the following policies:

Provide quotations or additional information on the following coverages from the Coverages for Consideration page of this proposal.

Provide an electronic copy in lieu of paper policy(ies).

It is understood this proposal provides only a summary of the details; the policies will contain the actual coverages.

Kane County confirms the values, schedules, and other data contained in the proposal are from our records and acknowledge it is our responsibility to see that they are maintained accurately.

 Client Signature
Dated



Gallagher Compensation Agreement

THIS COMPENSATION AGREEMENT is made and entered into and effective the 1st day of December, 2011 ("Effective Date") by and between **KANE COUNTY**, an Illinois Corporation ("Client"), and **ARTHUR J. GALLAGHER RISK MANAGEMENT SERVICES, INC.**, an Illinois corporation ("Gallagher").

I. TERM AND TERMINATION

This Agreement shall commence on the Effective Date for a term of one (1) year and shall automatically renew on the first anniversary of the Effective Date and annually thereafter for additional one (1) year terms but may be terminated by either party at any time upon one hundred twenty (120) days prior written notice.

II. OBLIGATIONS OF GALLAGHER

Gallagher will provide the services set out on Exhibit A attached hereto (collectively, the "Services") to Client. If the Services include the placement of insurance coverages, Gallagher will use its commercial best efforts to secure such insurance coverages on Client's behalf. In the event an insurance company cancels or refuses to place such insurance coverages, Gallagher will use its commercial best efforts to obtain the coverage from another insurance company.

III. OBLIGATIONS OF CLIENT

Client shall remunerate Gallagher its usual and customary brokerage commission for the Services. In addition to or in lieu of commission, Client shall pay Gallagher an annual fee of \$32,000 for the Services, which such fee may be revised at the time of renewal of this Agreement by the execution of an amendment to this Agreement signed by the parties hereto. If work is required to be performed in addition to the Services, Client agrees to compensate Gallagher for such additional work at its usual and customary rates. So long as the terms and conditions of the Services are substantially similar and Gallagher's performance is acceptable, in subsequent years the annual fee shall be increased 4% over the prior year, and shall be payable and earned as provided herein.

IV. DISCLOSURES

- A. In addition to such fees and commissions provided herein, Gallagher may also receive investment income on fiduciary funds temporarily held by it, such as premiums or return premiums. Other parties, such as excess and surplus lines brokers, wholesalers, reinsurance intermediaries, underwriting managers, captive managers and similar parties, some of which may be owned in whole or in part by Gallagher's corporate parent, may earn and retain usual and customary commissions and fees in the course of providing insurance products to clients. Gallagher may also participate in contingent and supplemental commission arrangements with insurance companies. Contingent commission arrangements provide for additional contingent compensation if 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. Supplemental commissions, unlike contingents, are known at the effective date of the policy, but are typically paid later and apart from when usual and customary commission is paid. Any such fees or commission will not constitute compensation to Gallagher under Section III. above.
- B. Gallagher's fees under this Agreement shall be fully earned on the execution of this Agreement (and any renewal thereof), and payable on invoicing. Client is responsible for payment of premiums for all insurance placed by Gallagher on its behalf. If any amount is not paid in full when due, including premium payments to insurance companies, that nonpayment will constitute a material breach of this Agreement that will allow Gallagher to immediately terminate this Agreement, at its option, without notice to Client.



- C. Where applicable, insurance coverage placements which Gallagher makes on Client's behalf, may require the payment of federal excise taxes, surplus lines taxes, stamping or other fees, to the Internal Revenue Service (federal), various state(s) departments of revenue, state regulators, boards or associations. In such cases, Client is responsible for the payment of such taxes and/or fees, which will be identified separately by Gallagher on invoices covering these placements. Under no circumstances will these taxes or other related fees or charges be offset against the amount of Gallagher's brokerage fees or commissions referred to herein.
- D. Gallagher will be operating only as Client's broker, obtaining a variety of coverage terms and conditions to protect the risks of Client's enterprise. Gallagher will seek to bind those coverages based upon Client's authorization, however, Gallagher can make no warranties in respect to policy limits or coverage considerations of the carrier. Actual coverage is determined by policy language, so read all policies carefully. Contact Gallagher with questions on these or any other issues of concern.

V. INDEMNIFICATION

- A. Gallagher agrees to indemnify and hold Client harmless from any loss, cost, damage, or expense (including reasonable attorney's fees) arising from the negligent acts or omissions of Gallagher.
- B. Client agrees to indemnify and hold Gallagher harmless from any loss, cost, damage, or expense (including reasonable attorney's fees) arising from the negligent acts or omissions of Client, including any financial obligation to pay premiums to any insurance company.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed on the date first written above.

ARTHUR J. GALLAGHER RISK MANAGEMENT SERVICES, INC.	KANE COUNTY
By: _____	By: <i>Karen McConamy</i>
Name: _____	Name: _____
Title: _____	Title: _____



Arthur J. Gallagher Risk Management Services, Inc.

Exhibit A

Services

Perform risk management services, which Client may from time to time need or require. The services include:

Insurance Brokerage

- Review insurance-related loss exposures
- Review insurance policies and coverage endorsements
- Obtain, organize, and analyze underwriting data
- Develop potential insurance options
- Formulate strategy to obtain insurance quotations
- Present formal submission to selected insurance markets
- Coordinate marketing efforts to insurance markets
- Compare and analyze quotations received
- Present a form proposal with appropriate options
- Confirm underwriting placements

Insurance Administration

- Review policies for accuracy
- Assist with allocating costs as necessary
- Issue certificates and other necessary evidence of insurance
- Develop and maintain computerized underwriting data schedules
- Assist in development and implementation of formalized claim and incident reporting guidelines
- Review insurance related sections of your contracts
- Summarize loss experience for management analysis
- Provide loss adjustment assistance on problem claims

Risk Management Consultation and Loss Control

- Annual stewardship meetings
- Insurance market updates
- Updates on local, state, or federal legislation impacting the County
- Review of risk management options/cost benefit analysis
- Loss analysis/claims advocacy
- Risk management program review
- Provide coverage summary reports – Property and Casualty
- Consult and review carrier loss control recommendations



DISCLOSURE NOTICE OF TERRORISM INSURANCE COVERAGE

October 17, 2011

To Whom It May Concern:

We are required to send you this notice pursuant to federal legislation concerning terrorism insurance.

You are hereby notified that under the Terrorism Risk Insurance Act, as amended, that you have a right to purchase insurance coverage for losses resulting from acts of terrorism, as defined in Section 102(1) of the Act: The term "act of terrorism" means any act that is certified by the Secretary of the Treasury—in concurrence with the Secretary of State, and the Attorney General of the United States—to be an act of terrorism; to be a violent act or an act that is dangerous to human life, property, or infrastructure; to have resulted in damage within the United States, or outside the United States in the case of certain air carriers or vessels or the premises of a United States mission; and to have been committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

YOU SHOULD KNOW THAT WHERE COVERAGE IS PROVIDED BY THIS POLICY FOR LOSSES RESULTING FROM CERTIFIED ACTS OF TERRORISM, SUCH LOSSES MAY BE PARTIALLY REIMBURSED BY THE UNITED STATES GOVERNMENT UNDER A FORMULA ESTABLISHED BY FEDERAL LAW. HOWEVER, YOUR POLICY MAY CONTAIN OTHER EXCLUSIONS WHICH MIGHT AFFECT YOUR COVERAGE, SUCH AS AN EXCLUSION FOR NUCLEAR EVENTS. UNDER THE FORMULA, THE UNITED STATES GOVERNMENT GENERALLY REIMBURSES 85% OF COVERED TERRORISM LOSSES EXCEEDING THE STATUTORILY ESTABLISHED DEDUCTIBLE PAID BY THE INSURANCE COMPANY PROVIDING THE COVERAGE. THE PREMIUM CHARGED FOR THIS COVERAGE IS PROVIDED BELOW AND DOES NOT INCLUDE ANY CHARGES FOR THE PORTION OF LOSS THAT MAY BE COVERED BY THE FEDERAL GOVERNMENT UNDER THE ACT.

YOU SHOULD ALSO KNOW THAT THE TERRORISM RISK INSURANCE ACT, AS AMENDED, CONTAINS A \$100 BILLION CAP THAT LIMITS U.S. GOVERNMENT REIMBURSEMENT AS WELL AS INSURERS' LIABILITY FOR LOSSES RESULTING FROM CERTIFIED ACTS OF TERRORISM WHEN THE AMOUNT OF SUCH LOSSES IN ANY ONE CALENDAR YEAR EXCEEDS \$100 BILLION. IF THE AGGREGATE INSURED LOSSES FOR ALL INSURERS EXCEED \$100 BILLION, YOUR COVERAGE MAY BE REDUCED.

SELECTION OR REJECTION OF TERRORISM INSURANCE COVERAGE

PLEASE "X" ONE OF THE BOXES BELOW AND TAKE THE ACTION INDICATED.

<input checked="" type="checkbox"/>	I hereby elect to purchase the Terrorism Coverage required to be offered under TRIPRA for a premium of \$318 (plus applicable taxes and fees). Action: Please sign and return this form with your payment for premium to your insurance agent.
<input type="checkbox"/>	I decline to purchase the Terrorism Coverage required to be offered under TRIPRA. Action: Please sign and return this form to your insurance agent.

x

Karen McConaughay
Policy Holder / Applicant's Signature

Date: _____

x

Print Name

Insured: County of Kane

Submission #: 609906 ##