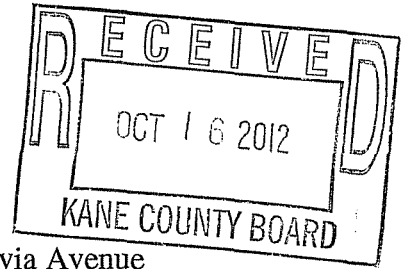


County of Kane
Office of County Board
Kane County Government Center



Karen McConnaughay
Chairman
630-232-5930



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

DOCUMENT VET SHEET

for

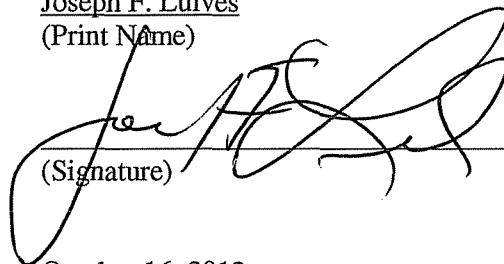
Karen McConnaughay
Chairman, Kane County Board

Name of Document: Payment of Insurance Premium and Service Agreement to Arthur J. Gallagher Risk Management Services, Inc.

Submitted By: Sheila McCraven

Date Submitted: October 16, 2012

Examined By: Joseph F. Lulves
(Print Name)


(Signature)

October 16, 2012
(Date)

Post on Web: Yes No Atty Initials JFL

Comments: Resolution #12-302

* Vetted by Joe Lulves in person (COB) office 10-16-12

Chairman Signed: Yes No Date: OCTOBER 16, 2012

Document Returned To: _____

STATE OF ILLINOIS

COUNTY OF KANE

RESOLUTION NO. 12 - 302

**PAYMENT OF INSURANCE PREMIUM AND SERVICE
AGREEMENT TO ARTHUR J. GALLAGHER RISK MANAGEMENT SERVICES, INC.**

WHEREAS, to protect the interests of Kane County, proper insurance coverage including liability, property and auto services agreements with Arthur J. Gallagher Risk Management Services, Inc., need to be in place for Fiscal Year 2013.

Fund 010, Line Item 50000

Arthur J. Gallagher Risk Management Services, Inc. AGENCY FEE	\$ 33,280
LOSS CONTROL SERVICES	\$ included

Fund 010, Line Item 53000

PACKAGE INCLUDING	\$224,042
General Liability, \$20,000,000 per occurrence	
Auto Liability, \$20,000,000 per occurrence	
Auto Physical Damage, \$9,883,119 per occurrence	
Public Officials Liability, \$20,000,000 per occurrence	
Employment Practices Liability, \$20,000,000 per occurrence	
Law Enforcement Liability, \$20,000,000 per occurrence	
Limit \$20,000,000/\$350,000 deductible/SIR	
Cyber Liability \$1,000,000 per occurrence	\$ 4,269
Limit \$1,000,000/Deductible \$5,000	
Employee Dishonesty/Crime	\$ 5,998
Limit \$500,000/Deductible \$25,000	
Property	\$ 89,796
Buildings/Contents Blanket (\$169,946,554)	
Computers (\$1,891,000)	
Includes Boiler & Machinery/Equipment	
TOTAL COSTS	\$357,385

Total amount of Premiums are not to exceed \$357,385 annually, subject to appropriation by the Kane County Board. These premiums are in effect from December 1, 2012 through November 30, 2013, and are to be monitored by the Finance Director.

NOW, THEREFORE, BE IT RESOLVED that the Finance Director is instructed to allocate the costs of these policies to the County's Special Revenue Funds, and KCDEE. All payments and claims must be reported quarterly to the Human Services, Finance and Executive Committees.

BE IT FURTHER RESOLVED that payments for the approved insurance programs and policies shall be expended from the Insurance Liability Fund (010) in an amount not to exceed \$357,385 annually, subject to appropriation by the Kane County Board.

Line item	Line Item Description	Was personnel/item/service approved in original budget or a subsequent budget revision?	Are funds <u>currently</u> available for this personnel/item/service in the specified line item?	If funds are not currently available in the specified line item, where are the funds available?
010.120.130.50000 010.120.130.53000 010.120.130.53010	Project Admin Insurance Liability Worker's Compensation	Yes- FY2013	Yes- FY2013	N/A

Passed by the Kane County Board on October 9, 2012.

John A. Cunningham
Clerk, County Board
Kane County, Illinois

Karen McConnaughay
Chairman, County Board
Kane County, Illinois

Vote:
Yes _____
No _____
Voice _____
Abstentions _____

10InsuranceLiability

Gallagher Compensation Agreement

THIS COMPENSATION AGREEMENT is made and entered into and effective the 1st day of December, 2012 ("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 \$33,280 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.




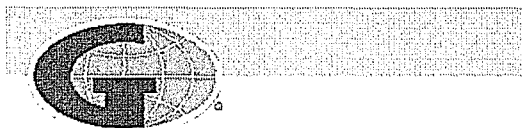
Arthur J. Gallagher Risk Management Services, Inc.

- 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. LIMITATION OF LIABILITY

Gallagher's liability to Client, arising from any negligent acts or omissions of Gallagher, whether related to the Services provided hereunder or not, shall not exceed \$20 million in the aggregate. Without limiting the foregoing, Gallagher shall only be liable for actual damages incurred by Client, and shall not be liable for any indirect, consequential or punitive damages.

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: 
Name: _____	Name: KAREN MCCONNAUGHAY
Title: _____	Title: COUNTY BOARD CHAIRMAN



Arthur J. Gallagher Risk Management Services, Inc.