Village of Long Grove

3110 Old McHenry Road
Long Grove, IL 60047

Proposal of Insurance

Presented: December 1, 2015

Effective: December 31, 2015

PUBLIC SECTOR PRACTICE

Arthur J. Gallagher & Co.

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Executive Summary

Arthur J. Gallagher Risk Management Services, Inc. appreciates the opportunity to present this proposal for your consideration.

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The entire staff at Arthur J. Gallagher Risk Management Services, Inc. would like to thank the Village of Long Grove for the opportunity to present our background, experience, and qualifications as they pertain to the Village's insurance and risk management needs.

The Village of Long Grove will directly benefit from utilizing our collective knowledge and experience of serving as broker to many Public and Governmental Entities. Nationally, we provide services to over 5,000 schools, municipalities, and counties encompassing over 500,000 employees and $30,000,000,000 in property values. The Arthur J. Gallagher Risk Management Services, Inc. division of Arthur J. Gallagher & Co. is solely focused on this segment of the market and our expanding client list, market relationships, and personnel reflect that commitment.

We are confident that our proposal will demonstrate our ability to service the risk management needs and confirm our commitment to the Village of Long Grove based on:

· Our office's strong national presence, which includes clients from New Hampshire to Idaho, and
· Our expertise in governmental entities.

Our company has the expertise and breadth of services to meet all of your risk management needs. We have an experienced team that will work as an extension of you risk management department and will be committed to ensure your program's success.

We again thank you for this opportunity and look forward to be of service to you.

In the following pages, we will demonstrate what makes our company the best fit for your insurance placement and risk management needs. Thank you again for allowing us to be your partner in this placement.

Ethan Salsinger
Tuesday, December 01, 2015

Table of Contents

Executive Summary **2**
Our Team and Commitment **4**
Service Team & Commitment 5
Our Service Commitment 7
Your Program **8**
Named Insured 9
Marketplace Review 10
Location Schedule 11
Program Details 12
Property - Underwriters at Lloyd's London 12
General Liability - Underwriters at Lloyd's London 16
Automobile - Underwriters at Lloyd's London 21
Umbrella - Underwriters at Lloyd's London 25
Equipment Breakdown - Travelers Property Casualty Co of America 28
Crime - Citizens Insurance Company of America 31
Workers Comp - Illinois Public Risk Fund 33
Premium Summary 35
Payment Plans 36
Proposal Disclosures **37**
Proposal Disclosures 38
Insurance Company Ratings and Admitted Status 40
Client Signature Requirements **42**
Coverages For Consideration 43
Client Authorization to Bind Coverage 44
Appendix **46**
Claims Reporting By Policy 47
Bindable Quotations & Compensation Disclosure Schedule 48
Schedules / TRIA Forms / UM Forms / Fee Agreement 49
Brit Poilcy form - Separate Attachment

Our Team and Commitment

Service Team

Ethan Salsinger has primary service responsibility for your company. We operate using a team approach. Your Service Team consists of:

NAME / TITLE	PHONE / ALT. PHONE	EMAIL	ROLE
Ethan Salsinger Account Executive	630-285-3651	Ethan_Salsinger@ajg.com	Producer
Deb Canning Client Service Manager	630-647-3102	Deb_Canning@ajg.com	Client Service Mgr

Arthur J. Gallagher Risk Management Services, Inc.
Main Office Phone Number: **(630) 773-3800**

Service Commitment

Account Service
At Arthur J. Gallagher & Co., our goal is to provide you with an exceptional insurance and risk management program delivered by a world class service organization. Gallagher is committed to partnering with our clients to ensure we consistently deliver the highest quality service possible.

Renewals
We use a standard Renewal Timeline and start early to make sure your needs are met and we are able to offer you the most comprehensive and competitively priced insurance program. At each renewal, we will meet with you to establish a renewal game plan, determine how many markets should be approached, discuss pricing in the insurance marketplace, and identify what specific needs must be addressed. We will then approach markets that we feel will offer the best alternatives. These alternatives will be presented at renewal as an option, even if we feel the incumbent program is strongest. We will demonstrate how we have created competition within the marketplace to ensure that you receive the best renewal terms.

We make ourselves accountable by working with you to develop a written service schedule that meets your needs. You can track our service by referring to our written service commitment. Service becomes especially important as your type of organization continues to change and prosper.

As a top national broker, we have access to over 150 insurance companies and wholesalers. This maximizes your insurance options in any given policy year situation. In addition, our integrity and influence in the marketplace have resulted in excellent relationships with our markets. These factors are especially important to consider as the insurance needs of your organization become more complex and require more sophisticated solutions.

Acquisitions
On request, we will perform an insurance due-diligence review on all products and acquisitions.

Profit Center Premium Allocations
We will provide premium breakdown by entities and/or location schedule.

Automobile Identification Cards
ID cards will be issued upon binding of coverage.

Phone Calls
Phone calls will be returned within one working day of receipt.

Certificates of Insurance
Certificates of Insurance will be issued within one working day of request.

Service Commitment (Cont.)

Quarterly Account Review

Quarterly account reviews will include review of claims, exposures, audits, and service.

Claims

Claims will be reported to the company within two working days of receipt, and acknowledgment of receipt will be sent to you. We will follow up with the carrier within ten working days after receipt of a claim. Monthly claim reports will be provided if requested.

Loss Control

We will coordinate all loss control activities between you and the carrier. We recommend that service be provided on a quarterly basis.

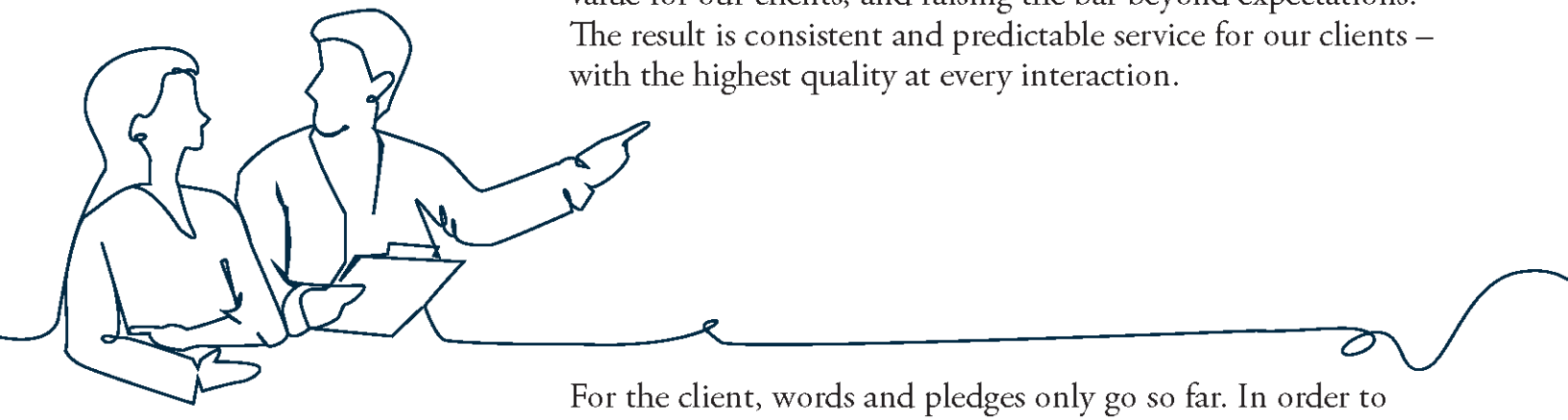
Arthur J. Gallagher & Co.

Our Service Commitment

Our clients repeatedly tell us the most important thing that we can do as their broker is to protect their assets while providing a comprehensive and tailored insurance program with the most competitive terms. We also know that a critical component of every customer experience is receiving an accurate and timely response to their day to day business needs and challenges.

At Arthur J. Gallagher and Co. our goal is to provide every client with an exceptional insurance and risk management program delivered by a world-class service organization.

We're on a journey to set a new standard for service within our industry – utilizing innovative technology and tools that create value for our clients, and raising the bar beyond expectations. The result is consistent and predictable service for our clients – with the highest quality at every interaction.



For the client, words and pledges only go so far. In order to deliver on our promise, Gallagher is committed to partnering with our clients to ensure we consistently deliver the highest quality service possible:

- **Clients get what they need, when they need it** – as a result of managing our work more effectively, your needs and requests are addressed promptly and professionally at all times
- **Our service team is able to focus on you**, and the solutions needed to support your unique business needs
- **We proactively manage your renewal cycle**, delivering a predictable timeline that creates time for thorough decision-making
- **You play a role in this too** – we're asking for more information ahead, so that you receive the best outcome, every time

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15BSD27047B

Village of Long Grove

Your Program

Named Insured

LINE OF COVERAGE	NAMED INSURED
All Lines of Coverage included in this proposal	**Village of Long Grove**

Note: Any entity not named in this proposal may not be an insured entity. This may include partnerships and joint ventures.

Marketplace Review

We approached the following carriers in an effort to provide the most comprehensive and cost effective insurance program.

INSURANCE COMPANY	LINE OF COVERAGE	RESPONSE	PREMIUM
Underwriters at Lloyd's London	Property / General Liability	Recommended Quote	$17,967
Underwriters at Lloyd's London	Automobile	Recommended Quote	$389
Underwriters at Lloyd's London	Umbrella	Recommended Quote	$3,540
Travelers Property Casualty Co of America	Equipment Breakdown	Recommended Quote	$1,464
Citizens Insurance Company of America	Crime	Recommended Quote	$614
Illinois Public Risk Fund	Workers Comp	Recommended Quote	$12,413

Location Schedule

LINE OF COVERAGE	LOC # / BLDG #	LOCATION ADDRESS
All Lines of Coverage included in this proposal	See Attached SOV	See SOV

Program Details

Coverage: Property

Carrier: Underwriters at Lloyd's London

Policy Period: 12/31/2015 to 12/31/2016

Coverage:

DESCRIPTION	LIMIT
Building and Personal Property	$7,148,753
Contractor's Equipment - Unscheduled $2,500 Max per any one item	$100,000
Earthquake	$4,000,000
Flood - 100 and 500 Year flood plains as defined by FEMA are excluded	$4,000,000

Deductibles/SIR:

COVERAGE	AMOUNT
Building and Personal Property	$1,000
Contractors Equipment - Unscheduled	$500
Earthquake - Nondamage areas only	$25,000
Flood 100 and 500 year flood plains as defined by FEM are excluded	$25,000
Employee Dishonesty	$250
Lock replacement	$50

Additional Coverage:

DESCRIPTION	LIMIT	BASIS
Automated External Defibrillator	$5,000	
Collapse		Limited Extended
Commandeered Property of Others (Other than Automobiles)	$250,000	
Crime Reward – Excluding Arson	$25,000	
Debris Removal of Covered Property		Per Location - 25% of loss + $25,000
Emergency Evacuation Expense	$25,000	
Emergency Real Estate Consulting Fee	$5,000	
Employee Dishonesty	$50,000	
Exterior Building Glass		Included
Fire Department Service Charge	$25,000	
Fungus," Wet Rot, Dry Rot, and Bacteria – Limited Coverage	$15,000	

Program Details (Cont.)

Additional Coverage:

DESCRIPTION	LIMIT	BASIS
Inventory and Appraisal Cost for Claim Preparation	$10,000	
Lease Cancellation Moving Expenses	$2,500	
Money and Securities	$25,000	
Pollutant Cleanup and Removal	$25,000	
Preservation of Property		Included
State Forest Fire Expense	$25,000	
Temporary Meeting Space	$1,000	
Water Damage, Other Liquid, Powder or Molten Material Damage		Included
Coverages Extensions:		
-Accounts Receivable – Per Occurrence On-Premises/Off-Premises		$250,000/$50,000
-Animals and Canines	$1,500/$10,000	Per Animal and Per Occurrence
-Appurtenant Building or Structures	$10,000	
-Arson Reward	$25,000	
-Building Ordinance or Law – Coverage A (Undamaged)		Included
-Coverage B (Demolition) and Coverage C (Increased Cost of Construction)	$350,000	
-Business Income	$250,000	
-Extra Expense	$500,000	
-Business Income – Loss of Tax Revenue	$600,000	
-Change in Temperature, Electrical Damage and Off-Premises Utility Services – Direct Damage	$50,000	
-Change in Temperature, Electrical Damage and Off-Premises Utility Services -Communication Towers	$100,000	
-Contractors' Equipment – Nonowned	$100,000/$250,000	Per Item and Per Occurrence Limit
-Emergency Portable Equipment – Schedule required for limits above basic limit	$25,000	
-Employees Tools	$500/$1,500	Per Employee and Per Occurrence Limit
-Fair or Exhibitions	$50,000	
-Fine Arts	$5,000/$100,000	Per Item and Per Occurrence Limit
-Fire Equipment Recharge	$25,000	
-Footbridges and Appurtenant Structures	$25,000	
-Foundations of Machinery, Swimming Pools, and Underground Pipes		Limit Extended

Program Details (Cont.)

Additional Coverage:

DESCRIPTION	LIMIT	BASIS
-Golf Course Greens – Limited Perils	$100,000	
-Lock Replacement	$25,000	
-Newly Acquired or Constructed Property	$1,000,000/$500,000	Each Building Limit/Contents Limit
-Nonowned Detached Trailers	$5,000	
-Outdoor Property	$25,000	
-Paved Surfaces	$100,000	
-Personal Computers, Communication Equipment, EDP Equipment, Electronic Data or Media	$250,000/$100,000	Per Occurrence and Away from Premises
-Personal Effects	$25,000/$50,000	Per Person/Each Location and Occurrence Limit
-Personal Property Off-Premises or In-Transit	$100,000	
-Recertification Expense	$5,000	
-Rental Expense – Contractor's Equipment	$10,000	
-Retaining Walls	$10,000	
-Sign Coverage	$25,000	
-Spoilage – See Utility Service Direct Damage	$25,000	
-Surface Water (Locations situated in a 100- or 500-year flood plain are excluded)	$25,000	
-Theft Damage to Nonowned Buildings	$50,000	
-Underground Sprinkler Systems		Included
-Underground Water Seepage	$10,000	
-Unnamed Locations	$250,000	
-Valuable Papers and Records – Cost of Research (Other than Electronic Data) On-Premises Limit and Away from Premises Limit	$250,000	

Valuations:

DESCRIPTION
Replacement Cost

Endorsements include, but are not limited to:

DESCRIPTION
Muni-BISI-PF-001 (12/11) Coverage Form

Program Details (Cont.)

Exclusions include, but are not limited to:

DESCRIPTION
Government Action Exclusion
War Exclusion
Nuclear Hazard, Power Failure

Binding Requirements:

DESCRIPTION
Subject to Signed Notice Of Terrorism Insurance Coverage
Signed client authorization to Bind

Other Significant Terms and Conditions/Restrictions:

DESCRIPTION
Buildings and Personal Property Total Insured Values $7,148,753
Total Premium $17,967 Combined for Property, inland marine and crime, General Liability, Law Enforcement Liability, Public Officials Liability, Employment Practices Liability and is shown in Property LOB. (excluded TRIA charge of $334.

Premium	**$17,967**
ESTIMATED PROGRAM COST	**$17,967**
TRIA/TRIPRA PREMIUM (Property) (+ Additional Surcharges, Taxes and Fees as applicable)	**$256**

Village of Long Grove

Program Details

Coverage: General Liability

Carrier: Underwriters at Lloyd's London

Policy Period: 12/31/2015 to 12/31/2016

Form Type:

COVERAGE	FORM TYPE	RETROACTIVE DATE	PENDING & PRIOR LITIGATION DATE
General Liability	Occurrence	Not Applicable	Not Applicable
Public Officials Liability	Claims Made	Not Applicable	Not Applicable
Employment Practices Liability	Claims Made	Not Applicable	Not Applicable

Coverage:

DESCRIPTION	LIMIT
General Liability:	
Bodily Injury and Property Damage	$1,000,000
Personal and Advertising Injury	$1,000,000
Employee Benefits Injury	$1,000,000
Specific Perils - Damage to Premises Rented to You	$1,000,000
Medical Payments	$5,000
General Aggregate	$2,000,000
Products-Completed Operations Aggregate	$2,000,000
Sexual Molestation - Per Occurrence	$500,000
Sexual Molestation - Annual Aggregate	$1,000,000
Public Officials Liability - Each Wrongful Act Limit	$1,000,000
Public Officials Liability - Annual Aggregate	$1,000,000
Employment Practices Liability - Each Wrongful Act Limit	$1,000,000
Employment Practices Liability - Annual Aggregate	$1,000,000

Deductibles/SIR:

COVERAGE	AMOUNT
Employment Practices Liability-Each Wrongful Act	$2,500
Public Officials Liability- Each Wrongful Act (Deductible applies to Loss and Loss Adjustment Expense)	$2,500
Employment Practices Liability - Back-Wages-NO PRIOR ACTS APPLIES	$5,000

Program Details (Cont.)

Claims Made Coverage:

Should you elect to change carriers (if a new retro-active date is provided) or non-renew this policy, a supplemental extended reporting endorsement may be available subject to policy terms and conditions. You must request the extended reporting period in writing to the carrier within ([Days To Extend]) days of the expiration date. The cost of this extended reporting period is [Percent Cost]% of the annual premium and is fully earned. The extended reporting period extends only to those claims that occurred prior to the expiration date and would have been covered by the policy. Claims must be reported to the carrier within ([Days To Report]) days of the end of the policy period. The extended reporting period does not increase the limits of liability and is subject to all policy terms, conditions and exclusions.

Definition of Claim:

DESCRIPTION
Refer to attached policy form

Incident or Claim Reporting Provision:

DESCRIPTION
Refer to attached policy form

Extended Reporting Period (ERP) Options*:

DESCRIPTION	PREMIUM AMOUNT	PREMIUM DUE DATE	LENGTH
Refer to attached policy form	--	--	

*If ERP coverage is desired, then that request must be in writing to the carrier.

Additional Coverage:

DESCRIPTION	LIMIT
Public Officials Liability - Key Individual Replacement Expenses - Per Claim	$25,000
Public Officials Liability - Terrorist Travel Reimbursement - Per Policy Period	$5,000
Public Officials Liability - Identity Theft Protection - Per Claim	$5,000
Employment Practices Liability - Non-Monetary Defense - Per Claim	$10,000
Employment Practices Liability - Non-Monetary Defense - Per Policy Period	$50,000
Employment Practices Liability - Workplace Violence Counseling - Per Policy Period	$5,000
Employment Practices Liability - Back-Wages-NO PRIOR ACTS APPLIES - Per Claim	$10,000

Endorsements include, but are not limited to:

DESCRIPTION
Coverage Form MUNI-BISI-002 (12-11)

Program Details (Cont.)

Exclusions include, but are not limited to:

COVERAGE TYPE	DESCRIPTION
General Liability	Employment Related Practices Exclusion
General Liability	Absolute Asbestos Exclusion
General Liability	War and Nuclear Hazard
EBL	Wrongful termination of an employee
EBL	Coercion, demotion, reassignment, discipline or harassment of an employee
EBL	Discrimination against an employee

Defense Limitations:

DEFENSE COST DOLLAR LIMIT	DEFENSE COST TYPE / COMMENTS
Applies	In addition to Policy Limit, and if so: Limited

Binding Requirements:

DESCRIPTION
Subject to receipt of a currently signed, original application prior to inception date.
Subject to Signed TRIA Acceptance or Rejection Form

Program Details (Cont.)

Other Significant Terms and Conditions/Restrictions:

DESCRIPTION
General Liability: • Form is "pay on behalf" in lieu of indemnity and includes "duty to defend" language • Punitive Damages included where allowed by State Law • Broad form Governmental Entities definition of insured includes all boards and commissions operated by and under the direction of the insured entity, Volunteers as Insureds, Mobile or Leased equipment contracts, Users of Golf mobiles and parties to Mutual Aid Agreements • Blanket Additional Insured language for both written and oral insured contracts • Medical Professional Services coverage for Employed EMT's and Paramedics, licensed or registered nurses, counselors, psychologists or pharmacists except as relates to excluded Medical and Related Facilities • Professional coverage included for Employed Engineers and Surveyors • Owned watercraft up to 50 feet in length are covered • Expanded Host Liquor Liability included • Pollution exclusion exceptions for sudden and accidental discharge from heating, air conditioning and ventilation systems, hostile fire, emergency operations, mobile equipment, road treatment chemicals, swimming pools, pesticides and herbicides, water treatment, above ground storage tanks and water and sewage operations • Definition of Law Enforcement Activities does not preclude coverage for Code Enforcement or similar non-police enforcement officers • Prior Acts Coverage available for insureds currently under claims made coverage
Public Officials Liability: • Form is "pay on behalf" in lieu of indemnity and includes "duty to defend" language • Full Prior Acts coverage offered to most entities having continuous Claims Made coverage for past five years • Punitive Damages included where allowed by State Law • Civil Rights Violations, Zoning, Land Use (other than Eminent Domain or Inverse Condemnation), Permits and Licenses are covered • Identity Theft Protection reimburses certain public officials for expenses, such as notarizing documents, certified mail expenses and loan application fees, incurred as a direct result of Identity Theft. • Key Individual Replacement Expenses pays miscellaneous costs such as advertising, travel, lodging and meals, overtime pay, costs of verifying background and references and certain legal expenses incurred by the Named Insured to replace key public officials if that person suffers a fatal injury. • Terrorist Travel Reimbursement covers expenses such as the additional cost of travel, accommodations, rescue, funeral expenses or cost of transporting personal baggage of key public officials incurred as a direct result of the cancellation of that insured's scheduled transport due to a "Certified Act of Terrorism" • Basic Extended Reporting Period included with additional reporting periods available • Consent to Settle included

Program Details (Cont.)

Other Significant Terms and Conditions/Restrictions:

DESCRIPTION
Employment Practices Liability: • Form is "pay on behalf" in lieu of indemnity and includes "duty to defend" language • Full Prior Acts coverage offered to most entities having continuous Claims Made coverage for past five years • Punitive Damages included where allowed by State Law • Broad definition of wrongful act including refusal to employ, termination of employment, false arrest, false imprisonment, libel, slander, defamation, harassment, humiliation, discrimination, invasion of privacy, wrongful eviction, malicious prosecution, abuse of process or any other act, omission or policy attributable to anyone's employment • Sexual Harassment, American with Disabilities Act, Title VII claims are covered • Workplace Violence Counseling reimburses the insured for expenses incurred for the counseling of employees necessary due to an incident of Workplace Violence. The deductible does not apply. • Non Monetary Defense limit included, with higher limits available, provides defense coverage for claims having no monetary damage demand • Back wages limit included with higher limits available • Basic Extended Reporting Period included with additional reporting periods available • Consent to Settle included
If coverage is rejected, the signed form must be received by Underwriters prior to inception
Total Premium $17,967 Combined for Property, inland marine and crime, General Liability, Law Enforcement Liability, Public Officials Liability, Employment Practices Liability and is shown in Property LOB. (excludes TRIA charge of $334.

Premium

ESTIMATED PROGRAM COST	Included
TRIA/TRIPRA PREMIUM (General Liability) (+ Additional Surcharges, Taxes and Fees as applicable)	**$78**

Subject to Audit: Not Auditable

Village of Long Grove

Program Details

Coverage: Automobile

Carrier: Underwriters at Lloyd's London

Policy Period: 12/31/2015 to 12/31/2016

Coverage:

DESCRIPTION	LIMIT	COVERED AUTOS
Liability Combined Single Limit	$1,000,000	1
Medical Expense (included in Fleet Coverage Endorsement)	$10,000	2
Uninsured Motorist	$1,000,000	6
Underinsured Motorists	$1,000,000	6
Excess Hired	Included	
Comprehensive	ACV, cost to repair or replace, or stated amount, whichever is less	7,8
Collision	ACV, cost to repair or replace, or stated amount, whichever is less	7,8
Non-owned Liability	Included	

Deductibles/SIR:

COVERAGE	AMOUNT
Comprehensive	$500
Collision	$500

Covered Autos:

SYMBOL	SYMBOL NAME	DESCRIPTION OF COVERED DESIGNATION SYMBOLS
1	Any Auto	Can only be used for Liability insurance. Its use provides coverage for any auto with which the insured has contact, including owned and non-owned, hired vehicles, and newly acquired vehicles. It includes coverage for non-owned auto, no-fault insurance, uninsured motorists, or physical damage insurance
2	Owned Autos Only	Only those autos you own (and for Liability Coverage any trailers you don't own while attached to power units you own). This includes those autos you acquire ownership of after the policy begins.
3	Owned Private Passenger Autos Only	Only the private passenger autos you own. This includes those private passenger autos you acquire ownership of after the policy begins.
4	Owned Autos Other Than Private Passenger Autos Only	Only those autos you own that are not of the private passenger type (and for Liability Coverage any trailers you don't own while attached to power units you own). This includes those autos not of the private passenger type you acquire ownership of after the policy begins.

Program Details (Cont.)

Covered Autos:

SYMBOL	SYMBOL NAME	DESCRIPTION OF COVERED DESIGNATION SYMBOLS
5	Owned Autos Subject To No-Fault	Only those autos you own that are required to have No-Fault benefits in the state where they are licensed or principally garaged. This includes those autos you acquire ownership of after the policy begins provided they are required to have No-Fault benefits in the state where they are licensed or principally garaged.
6	Owned Autos Subject To A Compulsory Uninsured Motorists Law	Only those autos you own that because of the law in the state where they are licensed or principally garaged are required to have and cannot reject Uninsured Motorists Coverage. This includes those autos you acquire ownership of after the policy begins provided they are subject to the same state uninsured motorists' requirement.
7	Specifically Described Autos	Only those autos described in Item Three of the Declarations for which a premium charge is shown (and for Liability Coverage any trailers you don't own while attached to any power unit described in Item Three).
8	Hired Autos Only	Only those autos you lease, hire, rent or borrow. This does not include any auto you lease, hire, rent, or borrow from any of your employees, partners (if you are a partnership), members (if you are a limited liability company) or members of their households.
9	Nonowned Autos Only	Only those autos you do not own, lease, hire, rent or borrow that are used in connection with your business. This includes autos owned by your employees, partners (if you are a partnership), members (if you are a limited liability company), or members of their households but only while used in your business or your personal affairs.
19	Mobile Equipment Subject To Compulsory Or Financial Responsibility Or Other Motor Vehicle Insurance Law Only	Only those autos that are land vehicles and that would qualify under the definition of mobile equipment under this policy if they were not subject to a compulsory or financial responsibility law or other motor vehicle insurance law where they are licensed or principally garaged.

Additional Coverage:

DESCRIPTION	LIMIT
Fleet Coverage	Included
Hired Car Physical Damage	Included in Fleetcover

Endorsements include, but are not limited to:

DESCRIPTION
Coverage Form MUNI-BISI-002 (12-11)
Fleet Coverage Endorsement

Exclusions include, but are not limited to:

DESCRIPTION
Workers' Compensation
Employers Liability
Pollution

Program Details (Cont.)

Binding Requirements:

DESCRIPTION
Subject to receipt of a currently signed, original application prior to inception date.
Subject to signed IL U 003 01 15 Uninsured/Underinsured Motorist selection/rejection form must be received by Underwriters prior to inception date.
Subject to require that the insured perform MVR reviews annually on all drivers and prior to hiring new drivers.
Signed Client Authorization to bind.

Other Significant Terms and Conditions/Restrictions:

DESCRIPTION
If coverage is rejected, the signed form must be received by Underwriters prior to inception or the additional premium will be charged and the policy issued including coverage.
Auto Liability and Physical Damage: • Fleet Coverage Endorsement adds coverage for commandeered autos, newly acquired organizations, blanket additional insured wording for insured contracts, waiver of subrogation, fellow employee, extended towing coverage, extended glass coverage, rental reimbursement, communication equipment, employee vehicle deductible reimbursement, blanket loss payable clause, medical payments, hired auto physical damage, and 120 day cancellation provision • Stated Amount coverage for Emergency Rescue Vehicles • Emergency Response Provider Extension Endorsement includes extended debris removal and pollution clean up, expected or intended injury exception for damage resulting from protecting persons or property, fellow employee coverage, non-owned vehicle deductible reimbursement, additionally acquired emergency units and equipment, recertification expense, hired and substitute emergency unit physical damage, rental reimbursement and extended towing
All vehicles with Original Cost New of $750,000 or greater All Auto changes adding or deleting 10 or more vehicles at any one time

Auto Disclaimer:
Commercial Auto policies utilize a set of coverage symbols to stipulate a category of covered autos. One or more symbols are assigned to each coverage purchased indicating which autos that coverage applies to. Please refer to your policy and make certain that you read and understand the various auto symbols and associated descriptions. Specific symbols may apply to either a particular kind of vehicle or the vehicle's ownership status. The symbols could also differ depending upon whether the coverage is for liability or physical damage. Also, in certain circumstances, an insurance company may agree to provide coverage for an auto scenario that is not described in the auto symbols. When this occurs, a unique symbol and related description is used. If you have any questions regarding the auto symbols or associated descriptions contained in your policy, please contact us.

Premium	**$389**
ESTIMATED PROGRAM COST	**$389**

Subject to Audit: Not Auditable

Program Details (Cont.)

Vehicles:

VEH#	YEAR	MAKE / MODEL	VIN	COST NEW	RATING CLASS	DEDUCTIBLE	
						OTC	COLL
1	2004	Wells Cargo / Trailer	5546	$5,000.00	68499	$500.00	$500.00
2	2011	Teske / Trailer	5547	$2,000.00	68499	$500.00	$500.00

Village of Long Grove

Program Details

Coverage: Umbrella

Carrier: Underwriters at Lloyd's London

Policy Period: 12/31/2015 to 12/31/2016

Form Type:

COVERAGE	FORM TYPE	RETROACTIVE DATE	PENDING & PRIOR LITIGATION DATE
Umbrella	Occurrence	Not Applicable	Not Applicable
Umbrella	Claims Made	Not Applicable	Not Applicable

Coverage:

DESCRIPTION	LIMIT
Each Occurrence Limit	$7,000,000
Annual Aggregate	$7,000,000

Deductibles/SIR:

COVERAGE	AMOUNT
Retained Limit (Applies to Coverage B only - Each Occurrence	$10,000

Definition of Claim:

DESCRIPTION
Refer to attached policy form

Incident or Claim Reporting Provision:

DESCRIPTION
Refer to attached policy form

Extended Reporting Period (ERP) Options*:

DESCRIPTION	PREMIUM AMOUNT	PREMIUM DUE DATE	LENGTH
Refer to attached policy form	--	--	

*If ERP coverage is desired, then that request must be in writing to the carrier.

Program Details (Cont.)

Underlying Policies:

COVERAGE	LIMIT	CARRIER	EFFECTIVE DATE	EXPIRATION DATE
General Liability	$1,000,000	Underwriters at Lloyd's London	12/31/2015	12/31/2016
Public Officials Liability	$1,000,000	Underwriters at Lloyd's London	12/31/2015	12/31/2016
Employment Practices Liability	$1,000,000	Underwriters at Lloyd's London	12/31/2015	12/31/2016
Business Auto	$1,000,000	Underwriters at Lloyd's London	12/31/2015	12/31/2016

Endorsements include, but are not limited to:

DESCRIPTION
Coverage Form MUNI-BISI-002 (12-11)

Exclusions include, but are not limited to:

DESCRIPTION
Pollution (Hostile Fire Exception)
UM/ UIM
Sex Abuse
War

Defense Limitations:

DEFENSE COST DOLLAR LIMIT	DEFENSE COST TYPE / COMMENTS
Applies	In addition to Policy Limit, and if so: Limited

Binding Requirements:

DESCRIPTION
Subject to Signed TRIA Acceptance or Rejection Form
Signed Client Authorization to bind.

Other Significant Terms and Conditions/Restrictions:

DESCRIPTION
If coverage is rejected, the signed form must be received by Underwriters prior to inception or the additional premium will be charged and the policy issued including coverage.
Coverage A is follow form excess over underlying liability coverages Separate Aggregate Protection, commonly known as "SILO Aggregate", as respects to Coverage A only, applies the aggregate separately to each underlying coverage shown on the umbrella declarations

Program Details (Cont.)

Premium	**$3,540**
ESTIMATED PROGRAM COST	**$3,540**
TRIA/TRIPRA PREMIUM (+ Additional Surcharges, Taxes and Fees as applicable)	**$89**

Subject to Audit: Not Auditable

Village of Long Grove

Program Details

Coverage: Equipment Breakdown

Carrier: Travelers Property Casualty Co of America

Policy Period: 12/31/2014 to 12/31/2015

Coverage:

DESCRIPTION	LIMIT
Equipment breakdowns	$8,088,753

Deductibles/SIR:

COVERAGE	AMOUNT
Equipment breakdowns	$1,000
Spoilage Direct Damage and Time Element Waiting Period	4 Hours
Utility/service interruption – Waiting Period	4 Hours

Additional Coverage:

DESCRIPTION	LIMIT
Business Income Coverage Extension / BI "period of Restoration"	Included / 365 Days
Extra Expense Coverage Extension/ EE "period of Restoration"	Included / 365 Days
Spoilage Damage including Utility Interruption / Waiting period	Included / 4 hours
Utility Interruption Time Element Coverage Extension/ Waiting Period	Included / 4 hours
Civil Authority Coverage Extension	100 Miles / 3 weeks
"Dependent Property" Coverage Extension – Dependent Properties: All Direct supplying, recipient, manufacturing and leader locations	Included
Electronic Data or Media Coverage Extension	Included in Total Limit per breakdown
Error in Description Coverage Extension	See E&O End EB T3 10
Expediting Expense Coverage Extension	Included in Total Limit Per Breakdown
Fungus, Wet Rot, and Dry Rot – Property Damage	$100,000/ 60 days
Hazardous Substance Limitation	Included in Total Limit per Breakdown
Newly Acquired Locations Coverage Extension	Included in Total Limit per Breakdown / 365 Days
Ordinance or Law (including Demolition and Increased Construction)	Included in Total Limit per Breakdown
Refrigerant Contamination Limitation:	Included in Total Limit per Breakdown
Water Damage Limitation	Included in Total Limit per Breakdown
Brands and Labels	Included
Claims Data Expense	$25,000
Covered Location Schedule	Per SOV on file with Company

Program Details (Cont.)

Additional Coverage:

DESCRIPTION	LIMIT
Deductible Waiver End for Joint Loss	Included
Diagnostic Equipment	Covered
Drying Out Coverage	Included in Total limit Per Breakdown
Electrical Surge or Disturbance End	Included
Error & Omission Endorsement	Included in Total Limit Per Breakdown
Green Coverage Enhancements	Included
- Property Damage % factor	5%
- Property Damage Limit	$1,000,000
- Business Income / Extra Expense # of Days	30 days
In Use or Connected Ready for Use Limitation	None
Joint Loss Agreement	Included
Jurisdictional Inspections	Included
Knowledge of Loss Endorsement	Included
New Generation Valuation	Included
Off Premises Equipment Coverage	$5,000,000
Ordinary Payroll	Covered
Pairs or Sets Valuation	Included
Production Machines	Covered
Underground Pressure Vessel and Piping Coverage Endorsement	Included
Unnamed Locations Endorsement	Included in Total Limit Breakdown subject to applicable sublimits
Unused Extended Warranty Reimbursement	Included

Valuations:

DESCRIPTION	LIMITATIONS
Replacement Cost	Equipment Breakdown
Actual Loss Sustained	Business Income
Cost to research, replace, recreate or restore and reprogram	Media and Electronic Data

Endorsements include, but are not limited to:

DESCRIPTION
TRIA Act 2002 -
Green Coverage Enhancements -
IL Changes -

Program Details (Cont.)

Exclusions include, but are not limited to:

DESCRIPTION
Fire
Earthquake
Flood
Standard Property Policy perils

Binding Requirements:

DESCRIPTION
Signed Client Authorization to Biind

Other Significant Terms and Conditions/Restrictions:

DESCRIPTION
Form Type:Per Occurrence
Coverage Enhancements: -Business Income Coinsurance Requirement – Suspended -Territory – The United States, its Territories and Possessions, Puerto Rico, and Canada -Terrorism Risk Insurance Act Of 2002 -Number of days for Notice of Cancellation or Nonrenewal – 90 days, except 20 days for nonpayment of premium, subject to state regulations -Three-year rate guarantee is included in this quote subject to 30% loss ratio

Premium	**$1,464**
ESTIMATED PROGRAM COST	**$1,464**

Village of Long Grove

Program Details

Coverage: Crime

Carrier: Citizens Insurance Company of America

Policy Period: 12/31/2014 to 12/31/2015

Form Type:

COVERAGE	FORM TYPE	RETROACTIVE DATE	PENDING & PRIOR LITIGATION DATE
Crime	Discovery	Not Applicable	Not Applicable

Coverage:

DESCRIPTION	LIMIT
Employee Dishonesty	$500,000
Forgery or Alteration	$100,000
Inside Premises - Theft of Money and Securities	$100,000
Inside Premises - Robbery or Safe Burglary of Other Property	$100,000
Outside Premises	$100,000
Computer Fraud	$100,000
Funds Transfer Fraud	$100,000
Money Order & Counterfeit Paper Currency	$10,000

Deductibles/SIR:

COVERAGE	AMOUNT
Employee Dishonesty	$2,500 ERISA
Forgery or Alteration	$1,000
Inside Premises - Theft of Money and Securities	$1,000
Inside Premises - Robbery or Safe Burglary of Other Property	$1,000
Outside Premises	$1,000
Computer Fraud	$1,000
Funds Transfer Fraud	$1,000
Money Order & Counterfeit Paper Currency	$250

Endorsements include, but are not limited to:

DESCRIPTION
Illinois Changes
Add Faithful Performance of Duty
Include Treasurer or Tax Collector

Program Details (Cont.)

Exclusions include, but are not limited to:

DESCRIPTION
Government Action Exclusion
Nuclear Hazard
Pollution
Ware and Military Action

Binding Requirements:

DESCRIPTION
Signed Client Authorization to bind.

Premium	**$614**
ESTIMATED PROGRAM COST	**$614**

Village of Long Grove

Program Details

Coverage: Workers Comp

Carrier: Illinois Public Risk Fund

Policy Period: 1/1/2015 to 1/1/2016

Coverage:

DESCRIPTION	LIMIT
Coverage A - Workers Compensation	Statutory
Employer's Liability Limits: Bodily Injury by Accident	$3,000,000
Employers' Liability Limits: Bodily Injury by Disease per Employee	$3,000,000
Employer's Liability Limits: Bodily Injury by Disease - Policy Limit	$3,000,000

States:

DESCRIPTION	STATE
States Covered:	IL
States Excluded:	OH, ND, WA, WY

Endorsements include, but are not limited to:

DESCRIPTION
Broad Form All States for Employee Travel
Voluntary Compensation
Longshore & Harbor Workers' Act
Maritime Coverage
Federal Employer's Liability Act Coverage

Exclusions include, but are not limited to:

DESCRIPTION
Any Obligation Imposed by a Workers Compensation or Occupational Disease Law or Any Similar Law
Bodily Injury to an Employee While Employed in Violation of Law
Bodily Injury Intentionally Caused by Insured
Assumptions under Contract
Stop Gap Employers Liabilty

Program Details (Cont.)

Binding Requirements:

DESCRIPTION
Signed Client Authorization to Bind

Other Significant Terms and Conditions/Restrictions:

DESCRIPTION
CANCELLATION: In the event that the Policy is Cancelled prior to expiration date, then the total annual premium stated on page 2 will be 100% earned.
Quote is based on total Payroll of: $430,523 / Payroll increase of 5.2%
IPRF Safety Grant Award for 1/1/16-1/1/17 Policy term is $856. Grant Deadline is December 1, 2016.

Premium	**$12,051**
Surcharges & Assessments	
3% Administrative Fee	$362
Total Surcharges & Assessments	**$362**
ESTIMATED PROGRAM COST	**$12,413**
Minimum Premium -	**$3,500**
TRIA/TRIPRA PREMIUM (+ Additional Surcharges, Taxes and Fees as applicable)	**INCLUDED**

Subject to Audit: Annually

Auditable Exposures:

STATE	CLASS CODE	DESCRIPTION	EXPOSURE	RATE PER $100
IL	8810	Clerical	$176,894	.160
IL	9410	Municipal Employees	$253,629	4.64

Premium Summary

The estimated program cost for the options are outlined in the following table:

LINE OF COVERAGE		EXPIRING PROGRAM CARRIER	EXPIRING COST	PROPOSED PROGRAM CARRIER	ESTIMATED COST
Property	Premium TRIA Premium	Underwriters at Lloyd's London (Underwriters at Lloyd's London)	**$15,959**	Underwriters at Lloyd's London (Underwriters at Lloyd's London)	**$17,967** $334
Automobile	Premium TRIA Premium	Underwriters at Lloyd's London (Underwriters at Lloyd's London)	**$387**	Underwriters at Lloyd's London (Underwriters at Lloyd's London)	**$389**
Umbrella	Premium TRIA Premium	Underwriters at Lloyd's London (Underwriters at Lloyd's London)	**$3,554**	Underwriters at Lloyd's London (Underwriters at Lloyd's London)	**$3,540** $89
Equipment Breakdown	Premium TRIA Premium	Travelers Property Casualty Co of America (Travelers Group)	**$1,464** Included	Travelers Property Casualty Co of America (Travelers Group)	**$1,464**
Crime	Premium	Citizens Insurance Company of America (Hanover Insurance Companies)	**$547**	Citizens Insurance Company of America (Hanover Insurance Companies)	**$614**
Workers Comp	Premium Srchrg & Asmnt **Estimated Cost** TRIA Premium	Illinois Public Risk Fund (Illinois Public Risk Fund)	$11,059 $332 **$11,391** Included	Illinois Public Risk Fund (Illinois Public Risk Fund)	$12,051 $362 **$12,413** Included
AJG Service Fee			**$3,213**		**$3,325**
Total Estimated Program Cost (Excluding TRIA)			**$36,515**		**$39,712**
			n/a		**$40,135**

Quote From **Illinois Public Risk Fund (Illinois Public Risk Fund)** is valid until **1/1/2016**
Quote From **Underwriters at Lloyd's London (Underwriters at Lloyd's London)** is valid until **12/31/2015**
Quote From **Citizens Insurance Company of America (Hanover Insurance Companies)** is valid until **12/31/2015**
Quote From **Underwriters at Lloyd's London (Underwriters at Lloyd's London)** is valid until **12/31/2015**
Quote From **Underwriters at Lloyd's London (Underwriters at Lloyd's London)** is valid until **12/31/2015**
Quote From **Travelers Property Casualty Co of America (Travelers Group)** is valid until **12/31/2015**
Quote From **Underwriters at Lloyd's London (Underwriters at Lloyd's London)** is valid until **12/31/2015**

Gallagher is responsible for the placement of the following lines of coverage:
Property
General Liability
Automobile
Umbrella
Equipment Breakdown
Crime
Workers Comp

It is understood that any other type of exposure/coverage is either self-insured or placed by another brokerage firm other than Gallagher. If you need help in placing other lines of coverage or covering other types of exposures, please contact your Gallagher representative.

Payment Plans

CARRIER	LINE OF COVERAGE	PAYMENT SCHEDULE	PAYMENT METHOD
Underwriters at Lloyd's London (Underwriters at Lloyd's London)	Property / General Liability	Annual Pay	Agency Bill
Underwriters at Lloyd's London (Underwriters at Lloyd's London)	Automobile	Annual Pay	Agency Bill
Underwriters at Lloyd's London (Underwriters at Lloyd's London)	Umbrella	Annual Pay	Agency Bill
Travelers Property Casualty Co of America (Travelers Group)	Equipment Breakdown	Annual Pay	Agency Bill
Citizens Insurance Company of America (Hanover Insurance Companies)	Crime	Annual Pay	Agency Bill
Illinois Public Risk Fund (Illinois Public Risk Fund)	Workers Comp	Direct Bill Quarterly Installments	Direct Bill

Village of Long Grove

Proposal Disclosures

Proposal Disclosures

The following disclosures are hereby made a part of this proposal. Please review these disclosures prior to signing the Client Authorization to Bind or e-mail confirmation.

Proposal Disclaimer

IMPORTANT: The proposal is an outline of certain terms and conditions of the insurance proposed by the insurers, based on the information provided by your company. It does not include all the terms, coverages, exclusions, limitations and/or conditions of the actual policy contract language. The insurance policies themselves must be read for those details. Policy forms for your reference will be made available upon request.

We will not be operating in a fiduciary capacity, but only as your broker, obtaining a variety of coverage terms and conditions to protect the risks of your enterprise. We will seek to bind those coverages based upon your authorization; however, we 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 us with questions on these or any other issues of concern.

Compensation Disclosure

One of the core values highlighted in The Gallagher Way states, “We are an Open Society,” and our open society extends to the compensation Gallagher receives. In general, Gallagher may be compensated as follows:

1. Gallagher Companies are primarily compensated from the usual and customary commissions or fees received from the brokerage and servicing of insurance policies, annuity contracts, guarantee contracts and surety bonds (collectively “insurance coverages”) handled for a client’s account, which may vary from company to company and insurance coverage to insurance coverage. As permitted by law, Gallagher companies occasionally receive both commissions and fees.

2. In placing, renewing, consulting on or servicing your insurance coverages, Gallagher Companies may participate in contingent and supplemental commission arrangements with intermediaries and insurance companies. Contingent commissions 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 and/or through the intermediary, not on an individual policy basis. Some insurance markets, including Gallagher-owned intermediaries, have modified their commission schedule with Gallagher, resulting in an increase in some commission rates. These additional commissions, commonly referred to as “supplemental commissions” are known as of the effective date, but some insurance companies are paying this commission later and apart from when commission is normally paid at policy issuance. As a result, Gallagher may be considered to have an incentive to place your insurance coverages with a particular insurance company. Note: Upon request, your Gallagher representative can provide more specific market information regarding contingent and supplemental commission related to your insurance coverage.

3. Gallagher Companies may also receive investment income on fiduciary funds temporarily held by them, such as premiums or return premiums.

4. Gallagher Companies may access other facilities, including wholesalers, reinsurance intermediaries, captive managers, underwriting managers and others that act as intermediaries for both Gallagher and other brokers in the insurance marketplace. Gallagher Companies may own some of these facilities, in whole or in part. If such a facility was utilized in the placement of a client’s account, the facility may have earned and retained customary brokerage commission or fees for its work.

5. Gallagher assists its customers in procuring premium finance quotes and unless prohibited by law may earn compensation for this value added service.

6. From time to time, Gallagher may participate in insurance company promotional events or training and development that insurers provide for Gallagher employees.

7. Gallagher strives to find appropriate coverage at a competitive price for our customers. In order to achieve these goals, we gather and analyze data about our customers and their insurance coverage.

Proposal Disclosures (Cont.)

This data and the resulting analytical tools help us better understand the current marketplace, more accurately predict future trends and offer tailored solutions to our customers. The data may also be provided to insurers pursuant to consulting service agreements from which we earn fees.

If you have specific questions about the compensation received by Gallagher and its affiliates in relation to your insurance placements, please contact your Gallagher representative for more details.

In the event you wish to register a formal complaint regarding compensation Gallagher receives from insurers or third parties, please send an e-mail to Compensation_Complaints@ajg.com or send a letter to:

Compliance Officer
Arthur J. Gallagher & Co.
Two Pierce Place, 20th Floor
Itasca, IL 60143

TRIA/TRIPRA Disclaimer

If this proposal contains options to purchase TRIA/TRIPRA coverage, the proposed TRIA/TRIPRA program may not cover all terrorism losses. While the amendments to TRIA eliminated the distinction between foreign and domestic acts of terrorism, a number of lines of coverage excluded under the amendments passed in 2005 remain excluded including commercial automobile, burglary and theft insurance; surety insurance, farm owners multiple perils and professional liability (although directors and officers liability is specifically included). If such excluded coverages are required, we recommend that you consider purchasing a separate terrorism policy. Please note that a separate terrorism policy for these excluded coverages may be necessary to satisfy loan covenants or other contractual obligations. TRIPRA includes a $100 billion cap on insurers' aggregate liability.

The TRIPRA program increases the amount needed in total losses by $20 million each calendar year before the TRIPRA program responds from the 2015 trigger of $100 million to $200 million by the year 2020.

TRIPRA is set to expire on December 31, 2020. There is no certainty of extension, thus the coverage provided by your insurers may or may not extend beyond December 31, 2020. In the event you have loan covenants or other contractual obligations requiring that TRIA/TRIPRA be maintained throughout the duration of your policy period, we recommend that a separate "Stand Alone" terrorism policy be purchased to satisfy those obligations.

Property Estimator Disclaimer

These property values were obtained using a desktop Property Estimator software operated by non-appraisal professionals. These property values represent general estimates which are not to be considered a certified appraisal. These property values include generalities and assumptions that may produce inaccurate values for specific structures.

Actuarial Disclaimer

The information contained in this proposal is based on the historical loss experience and exposures provided to Arthur J. Gallagher Risk Management Services, Inc.. This proposal is not an actuarial study. Should you wish to have this proposal reviewed by an independent actuary, we will be pleased to provide you with a listing of actuaries for your use.

Insurance Company Ratings and Admitted Status

PROPOSED INSURANCE COMPANIES	A.M. BEST'S RATING	ADMITTED / NON-ADMITTED
Underwriters at Lloyd's London	**A XV**	Admitted
Travelers Property Casualty Co of America	**A++XV**	Admitted
Citizens Insurance Company of America	**A XIV**	Admitted
Illinois Public Risk Fund	**NR(1)**	Admitted

If the above indicated coverage is placed with a Non-Admitted Carrier, the carrier is doing business in the state as a surplus lines or non-admitted carrier. As such, this carrier is not subject to the same regulations which apply to an admitted carrier nor do they participate in any insurance guarantee fund applicable in that state.

*The above A.M. Best Rating was verified on the date the proposal document was created.

Guide to Best Ratings

Rating Levels and Categories

LEVEL	CATEGORY
A++, A+	Superior
A, A-	Excellent
B++, B+	Good
B, B-	Fair
C++, C+	Marginal
C, C-	Weak
D	Poor
E	Under Regulatory Supervision
F	In Liquidation
S	Suspended

Financial Size Categories

(In $000 of Reported Policyholders' Surplus Plus Conditional Reserve Funds)

FSC I	Up to 1,000	FSC IX	250,000 to 500,000
FSC II	1,000 to 2,000	FSC X	500,000 to 750,000
FSC III	2,000 to 5,000	FSC XI	750,000 to 1,00,000
FSC IV	5,000 to 10,000	FSC XII	1,000,000 to 1,250,000
FSC V	10,000 to 25,000	FSC XIII	1,250,000 to 1,500,000
FSC VI	25,000 to 50,000	FSC XIV	1,500,000 to 2,000,000
FSC VII	50,000 to 100,000	FSC XV	2,000,000 or more
FSC VIII	100,000 to 250,000		

Best's Insurance Reports , published annually by A.M. Best Company, Inc., presents comprehensive reports on the financial position, history, and transactions of insurance companies operating in the United States and Canada. Companies licensed to do business in the United States are assigned a Best's Rating which attempts to measure the comparative position of the company or association against industry averages.

A Best's Financial Strength Rating opinion addresses the relative ability of an insurer to meet its ongoing insurance obligations. It is not a warranty of a company's financial strength and ability to meet its obligations to policyholders. View the A.M. Best Important Notice: Best's Credit Ratings for a disclaimer notice and complete details at http://www.ambest.com/ratings/notice.

Best's Credit Ratings are under continuous review and subject to change and/or affirmation. For the latest Best's Credit Ratings and Best Credit Reports (which include Best Ratings), visit the A.M. Best website at http://www.ambest.com. See Guide to Best's Credit Ratings for explanation of use and charges. Copies of the Best's Insurance Reports for carriers listed above are also available upon request of your Gallagher representative.

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Gallagher companies use A.M. Best Company's rating services to evaluate the financial condition of insurers whose policies we propose to deliver. Gallagher companies make no representations and warranties concerning the solvency of any carrier, nor does it make any representation or warranty concerning the rating of the carrier which may change.

1 The Illinois Public Risk Fund is a Self-Funded program established in 1985 solely for the purpose of providing Workers Compensation coverage to public entities in Illinois. Reinsurance is provided by Safety National Casualty Corporation which is rated A+ XIII by A.M. Best.

Insurance Company Ratings and Admitted Status (Cont.)

GUIDE TO BEST'S FINANCIAL STRENGTH RATINGS

A Best's Financial Strength Rating is an independent opinion of an insurer's financial strength and ability to meet its ongoing insurance policy and contract obligations. The rating is based on a comprehensive quantitative and qualitative evaluation of a company's balance sheet strength, operating performance and business profile.

Best's Financial Strength Ratings

	Rating	Descriptor	Definition
Secure	A++, A+	Superior	Assigned to companies that have, in our opinion, a superior ability to meet their ongoing insurance obligations.
	A, A-	Excellent	Assigned to companies that have, in our opinion, an excellent ability to meet their ongoing insurance obligations.
	B++, B+	Good	Assigned to companies that have, in our opinion, a good ability to meet their ongoing insurance obligations.
Vulnerable	B, B-	Fair	Assigned to companies that have, in our opinion, a fair ability to meet their ongoing insurance obligations. Financial strength is vulnerable to adverse changes in underwriting and economic conditions.
	C++, C+	Marginal	Assigned to companies that have, in our opinion, a marginal ability to meet their ongoing insurance obligations. Financial strength is vulnerable to adverse changes in underwriting and economic conditions.
	C, C-	Weak	Assigned to companies that have, in our opinion, a weak ability to meet their ongoing insurance obligations. Financial strength is very vulnerable to adverse changes in underwriting and economic conditions.
	D	Poor	Assigned to companies that have, in our opinion, a poor ability to meet their ongoing insurance obligations. Financial strength is extremely vulnerable to adverse changes in underwriting and economic conditions.
	E	Under Regulatory Supervision	Assigned to companies (and possibly their subsidiaries/affiliates) placed under a significant form of regulatory supervision, control or restraint - including cease and desist orders, conservatorship or rehabilitation, but not liquidation - that prevents conduct of normal, ongoing insurance operations.
	F	In Liquidation	Assigned to companies placed in liquidation by a court of law or by a forced liquidation.
	S	Suspended	Assigned to rated companies when sudden and significant events impact operations and rating implications cannot be evaluated due to a lack of timely or adequate information; or in cases where continued maintenance of the previously published rating opinion is in violation of evolving regulatory requirements.

Rating Modifiers

Modifier	Descriptor	Definition
u	Under Review	Indicates the rating may change in the near term, typically within six months. Generally is event driven, with positive, negative or developing implications.
pd	Public Data	Indicates rating assigned to insurer that chose not to participate in A.M. Best's interactive rating process. (Discontinued in 2010)
s	Syndicate	Indicates rating assigned to a Lloyd's syndicate.

Rating Outlooks

Indicates potential direction of a Best's Financial Strength Rating over an intermediate term, generally defined as 12 to 36 months.

Positive	Indicates possible rating upgrade due to favorable financial/market trends relative to the current rating level.
Negative	Indicates possible rating downgrade due to unfavorable financial/market trends relative to the current rating level.
Stable	Indicates low likelihood of a rating change due to stable financial/market trends.

Under Review Implications

Indicates the potential direction of a Best's Financial Strength Rating that is in Under Review status based on information currently available.

Positive	Indicates there is a reasonable likelihood the company's rating will be raised as a result of A.M. Best's analysis of a recent event.
Negative	Indicates there is a reasonable likelihood the company's rating will be lowered as a result of A.M. Best's analysis of a recent event.
Developing	Indicates there is uncertainty as to the final rating outcome, but there is a reasonable likelihood the company's rating will change as a result of A.M. Best's analysis of a recent event.

Not Rated Designation

NR: Assigned to companies that are not rated by A.M. Best.

Rating Disclosure

A Best's Financial Strength Rating opinion addresses the relative ability of an insurer to meet its ongoing insurance obligations. The ratings are not assigned to specific insurance policies or contracts and do not address any other risk, including, but not limited to, an insurer's claims-payment policies or procedures; the ability of the insurer to dispute or deny claims payment on grounds of misrepresentation or fraud; or any specific liability contractually borne by the policy or contract holder. A Best's Financial Strength Rating is not a recommendation to purchase, hold or terminate any insurance policy, contract or any other financial obligation issued by an insurer, nor does it address the suitability of any particular policy or contract for a specific purpose or purchaser. In arriving at a rating decision, A.M. Best relies on third-party audited financial data and/or other information provided to it. While this information is believed to be reliable, A.M. Best does not independently verify the accuracy or reliability of the information. For additional details, see A.M. Best's *Terms of Use* at *www.ambest.com*.

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Village of Long Grove

Client Signature Requirements

Coverages For Consideration

Overview
- A proposal for any of the coverages can be provided.
- The recommendations and considerations summarized in this section are not intended to identify all exposures.
- Since Gallagher does not handle your complete insurance program, these recommendations only reflect items within our scope of responsibility.

Other Coverage Considerations
- Cyber Risk

The above coverage may not necessarily represent the entirety of available insurance products. If you are interested in pursuing additional coverages other than those addressed in the coverage considerations included in this proposal, please list below:

Village of Long Grove

Client Authorization to Bind Coverage

After careful consideration of Gallagher's proposal dated 12/1/2015, we accept the following coverage(s). Please check the desired coverage(s) and note any coverage amendments below:

	LINE OF COVERAGE	CARRIER
☐Accept ☐ Reject	Property / General Liability	Underwriters at Lloyd's London (Underwriters at Lloyd's London)
☐Accept ☐ Reject	Automobile	
☐Accept ☐ Reject	Umbrella	
☐Accept ☐ Reject	TRIA Coverage	
☐Accept ☐ Reject	Equipment Breakdown	Travelers Property Casualty Co of America (Travelers Group)
Included	TRIA Coverage	
☐Accept ☐ Reject	Crime	Citizens Insurance Company of America (Hanover Insurance Companies)
N/A	TRIA Coverage	
☐Accept ☐ Reject	Workers Comp	Illinois Public Risk Fund (Illinois Public Risk Fund)
TRIA Cannot be rejected	TRIA Coverage	

Producer/ Insured Coverage Amendments and Notes:

_____

_____

_____

_____

_____
Client Initials

Client Authorization To Bind Coverage

Provide Quotations or Additional Information on the Following Coverage Considerations:

Other Coverage Considerations
☐Yes ☐ No Cyber Risk

Note: Selecting the "Reject All or Accept All" option will override any selections that you have made above
☐Reject All ☐Accept All ☐Coverage for Consideration

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

We confirm 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.

We agree that your liability to us arising from your negligent acts or omissions, whether related to the insurance or surety placed pursuant to these binding instructions or not, shall not exceed $20 million, in the aggregate. Further, without limiting the foregoing, we agree that in the event you breach your obligations, you shall only be liable for actual damages we incur and that you shall not be liable for any indirect, consequential or punitive damages.

By: _____
Specify: owner, partner or corporate officer

_____
Print Name

Date: _____

Appendix

Claims Reporting By Policy

• Immediately report any incident, claim, or suit to:

For Brit Package claims report to:
Carrier Name: Gallagher Bassett Services, Inc.
By Phone: (877) 332-2475
By Fax: (800) 748-6159

For Boiler & Machinery claims report to:
Carrier Name: Travelers Insurance Companies
By Phone: (800) 238-6225
By Fax: (877) QUICK-FAX (877) 784-5329

For Crime claims report to:
TPA or Carrier Name: Hanover Insurance Company
By Mail – Address: 333 W Pierce Rd
Itasca, IL 60143
Attn: Ginger Johnson, Fidelity Claims
By Phone: (630) 760-3464
Email: gjohnson@hanover, com

For Workers Compensation claims report to:
TPA or Carrier Name: Illinois Public Risk Fund
By Phone: (888) 532-6981
By Fax: (888) 223-1638
Website: iprf.com

• If notice of incident, claim, or suit is received, refer to the policy conditions clause “Duties in the event of.”

Bindable Quotations & Compensation Disclosure Schedule

Client Name: Village of Long Grove

COVERAGE(S)	CARRIER NAME(S)	EST. ANNUAL PREMIUM[1]	COMM.% OR FEE[2]	WHOLESALER, MGA OR INTERMEDIARY		
				NAME[3]	COMM.% OR FEE[4]	AJG OWNED? YES/NO
Property / General Liability	Underwriters at Lloyd's London (Underwriters at Lloyd's London)	$17,967	0 %	N/A		
Automobile	Underwriters at Lloyd's London (Underwriters at Lloyd's London)	$389	0 %	N/A		
Umbrella	Underwriters at Lloyd's London (Underwriters at Lloyd's London)	$3,540	0 %	N/A		
Equipment Breakdown	Travelers Property Casualty Co of America (Travelers Group)	$1,464	0 %	RPS	10%	Yes
Crime	Citizens Insurance Company of America (Hanover Insurance Companies)	$614	10 %	AJG Bond Dept	10%	Yes
Workers Comp	Illinois Public Risk Fund (Illinois Public Risk Fund)	$12,413	10 %	Boyle, Flagg and Seaman, Inc	3 %	No

Some carriers pay Gallagher supplemental or contingent commissions in addition to the policy commission. Contingent commissions are typically contingent upon performance factors such as growth, profit, volume or retention, while supplemental commissions are not. These supplemental or contingent commissions may range from less than 1% up to 10% of the policy premium. Please refer to the Compensation Disclosure or contact your Gallagher representative for additional information.

1 * A verbal quotation was received from this carrier. We are awaiting a quotation in writing. The premium indicated is an estimate provided by the market. The actual premium and acceptance of the coverage requested will be determined by the market after a thorough review of the completed application.
** A written quotation was received from this carrier. The premium indicated is an estimate provided by the market. The actual premium and acceptance of the coverage requested will be determined by the market after a thorough review of the completed application.
2 The commission rate is a percentage of annual premium excluding taxes & fees.
* Gallagher is receiving _____% commission on this policy. The fee due Gallagher will be reduced by the amount of the commissions received.
3 We were able to obtain more advantageous terms and conditions for you through an intermediary/ wholesaler.
4 * The non-Gallagher intermediary/wholesaler did not provide their compensation information for this proposal. The usual and customary compensation to a wholesaler/ intermediary ranges from 5% to 12%, but we cannot verify that range is applicable in connection with this proposal.

Property Schedule

0

Village of Long Grove

EFF. DECEMBER 31, 2015 TO DECEMBER 31, 2016

Loc	Bldg	Address Description	Zip Code	Insured's Occupancy Description	Buildings	Contents	Adj TIV
1	1	1150 Old McHenry Rd	60047	Bronze Statue	$50,000	$0	$50,000
2	1	3110 RFD	60047	Storage Shed	$8,790	$1,000	$9,790
2	2	3110 RFD	60047	Village Office	$412,963	$76,000	$488,963
3	1	Downtown	60047	Parking Lot & Lights	$3,000,000	$0	$3,000,000
4	1	IL 83 Robert Parker Coffin Rd	60047	Water Well/Water Storage & Bldg.	$3,600,000	$0	$3,600,000

Auto Schedule 0

Village of Long Grove EFF. DECEMBER 31, 2015 TO DECEMBER 31, 2016

No.	Year	Make	Model	Vin No.	Class Code	Physical Damage Cover	Cost New	Comp. Deductible	Collision Deductible
1	2004	Wells Cargo	Trailer	5546	68499	Comprehensive & Collision	$5,000	$500	$500
2	2011	Teske	Trailer	5547	68499	Comprehensive & Collision	$2,000	$500	$500

POLICYHOLDER DISCLOSURE

BRIT

NOTICE OF TERRORISM INSURANCE COVERAGE - PACKAGE POLICY

You are hereby notified that under the Terrorism Risk Insurance Act of 2002, as amended ("TRIA"), that you now have a right to purchase insurance coverage for losses arising out of acts of terrorism, as defined in Section 102(1) of the Act, as amended:

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 an air carrier or vessel 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 to the policy or affect the conduct of the United States Government by coercion. Any coverage you purchase for "acts of terrorism" shall expire at 12:00 midnight December 31, 2020, the date on which the TRIA Program is scheduled to terminate or the expiry date of the policy whichever occurs first, and shall not cover any losses or events which arise after the earlier of these dates.

YOU SHOULD KNOW THAT COVERAGE PROVIDED BY THIS POLICY FOR LOSSES CAUSED BY CERTIFIED ACTS OF TERRORISM ARE PARTIALLY REIMBURSED BY THE UNITED STATES 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 THIS FORMULA, THE UNITED STATES PAYS 85% OF COVERED TERRORISM LOSSES EXCEEDING THE STATUTORILY ESTABLISHED DEDUCTIBLE PAID BY THE INSURER(S) PROVIDING THE COVERAGE. 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.

THE PREMIUM CHARGED FOR THIS COVERAGE IS PROVIDED BELOW AND DOES NOT INCLUDE ANY CHARGES FOR THE PORTION OF LOSS COVERED BY THE FEDERAL GOVERNMENT UNDER THE ACT.

_____ I hereby elect to purchase coverage for acts of terrorism for a prospective premium of $ 334

_____ I hereby elect to have coverage for acts of terrorism excluded from my policy. I understand that I will have no coverage for losses arising from acts of terrorism.

Policyholder / Applicant's Signature _____ Date Signed _____

Print Name and Title _____

Insured Name: Village of Long Grove
3110 Old McHenry Road
Long Grove, IL, 60047

Policy Period: December 31, 2015 to December 31, 2016

POLICYHOLDER DISCLOSURE

BRIT

NOTICE OF TERRORISM INSURANCE COVERAGE - UMBRELLA POLICY

You are hereby notified that under the Terrorism Risk Insurance Act of 2002, as amended ("TRIA"), that you now have a right to purchase insurance coverage for losses arising out of acts of terrorism, as defined in Section 102(1) of the Act, as amended:

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 an air carrier or vessel 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 to the policy or affect the conduct of the United States Government by coercion. Any coverage you purchase for "acts of terrorism" shall expire at 12:00 midnight December 31, 2020, the date on which the TRIA Program is scheduled to terminate or the expiry date of the policy whichever occurs first, and shall not cover any losses or events which arise after the earlier of these dates.

YOU SHOULD KNOW THAT COVERAGE PROVIDED BY THIS POLICY FOR LOSSES CAUSED BY CERTIFIED ACTS OF TERRORISM ARE PARTIALLY REIMBURSED BY THE UNITED STATES 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 THIS FORMULA, THE UNITED STATES PAYS 85% OF COVERED TERRORISM LOSSES EXCEEDING THE STATUTORILY ESTABLISHED DEDUCTIBLE PAID BY THE INSURER(S) PROVIDING THE COVERAGE. 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.

THE PREMIUM CHARGED FOR THIS COVERAGE IS PROVIDED BELOW AND DOES NOT INCLUDE ANY CHARGES FOR THE PORTION OF LOSS COVERED BY THE FEDERAL GOVERNMENT UNDER THE ACT.

_____ I hereby elect to purchase coverage for acts of terrorism for a prospective premium of $ 89

_____ I hereby elect to have coverage for acts of terrorism excluded from my policy. I understand that I will have no coverage for losses arising from acts of terrorism.

Policyholder / Applicant's Signature

Date Signed

Print Name and Title

Insured Name: Village of Long Grove
3110 Old McHenry Road
Long Grove, IL, 60047

Policy Period: December 31, 2015 to December 31, 2016

ILLINOIS UNINSURED MOTORISTS COVERAGE AND UNDERINSURED MOTORISTS COVERAGE SELECTION/REJECTION

Policy Number: BGA 300040-04	Policy Effective Date: 12/31/15-16
Company: Village of Long Grove	Producer: AJG
Applicant/Named Insured: Village of Long Grove	

Illinois law permits you to make certain decisions regarding Uninsured Motorists Coverage and Underinsured Motorists Coverage. This document describes these coverages and the options available.

You should read this document carefully and contact us or your agent if you have any questions regarding Uninsured Motorists Coverage and Underinsured Motorists Coverage and your options with respect to these coverages.

This document includes general descriptions of coverage. However, no coverage is provided by this document. You should read your policy and review your Declarations page(s) and/or Schedule(s) for complete information on the coverages you are provided.

Please indicate your choice from **A.** and **B.** by initialing next to the appropriate item(s) and signing below.

A. Bodily Injury Uninsured And Underinsured Motorists Coverages

Bodily Injury Uninsured Motorists Coverage provides insurance protection to an insured for compensatory damages which the insured is legally entitled to recover from the owner or operator of an uninsured motor vehicle because of bodily injury caused by an automobile accident. Also included are damages due to bodily injury that result from an automobile accident with a hit-and-run vehicle whose owner or operator cannot be identified.

Bodily Injury Underinsured Motorists Coverage provides insurance protection to an insured for compensatory damages which the insured is legally entitled to recover from the owner or operator of an underinsured motor vehicle because of bodily injury caused by an automobile accident.

Every automobile liability policy must include Bodily Injury Uninsured Motorists Coverage at limits equal to your limits for Bodily Injury Liability Coverage or Combined Single Limit for Liability Coverage except as described below.

If your Bodily Injury Liability Coverage limits exceed $25,000 for each person/$50,000 for each accident or a Combined Single Limit of $50,000 for each accident, you may select limits that are lower than your Bodily Injury Liability Coverage limits or Combined Single Limit for Liability Coverage for your Bodily Injury Uninsured Motorists Coverage BUT you may not select Bodily Injury Uninsured Motorists Coverage limits less than $25,000 for each person/$50,000 for each accident or a Combined Single Limit of $50,000 for each accident.

Underinsured Motorists Coverage will be provided to you ONLY IF your Bodily Injury Uninsured Motorists Coverage limits are greater than $25,000 for each person/$50,000 for each accident or a Combined Single Limit of $50,000 for each accident. When provided, your Bodily Injury Underinsured Motorists Coverage limits will be equal to your Uninsured Motorists Coverage limits.

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Please indicate your choice by initialing next to the appropriate item(s) if you are selecting Uninsured Motorists Coverage at limits less than the Bodily Injury Liability limits of your policy.

(Initials)

_____ **I reject Bodily Injury Uninsured Motorists Coverage at limits equal to my Bodily Injury Liability Coverage (split limits) or Combined Single Limit for Liability Coverage and select the following lower limits.**

(Choose one):

(Initials)	Split Limits	OR	(Initials)	Combined Single Limit
_____	$ 25,000/50,000*		_____	$ 50,000*
_____	50,000/100,000		_____	100,000
_____	100,000/300,000		_____	250,000
_____	250,000/500,000		_____	300,000
_____	500,000/1,000,000		_____	350,000
_____	$ _____ (Other)		_____	500,000
		X	_____	1,000,000
			_____	$ _____ (Other)

* **IF YOU CHOOSE THIS LIMIT, BODILY INJURY UNDERINSURED MOTORISTS COVERAGE WILL NOT BE PROVIDED.**

B. Notice Of Availability Of Property Damage Uninsured Motorists Coverage

Property Damage Uninsured Motorists Coverage provides insurance protection to an insured for compensatory damages which the insured is legally entitled to recover from the owner or operator of an uninsured motor vehicle because of injury to or destruction of a covered auto caused by an automobile accident. However, Property Damage Uninsured Motorists Coverage is available only for autos for which you have not purchased Collision Coverage.

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Please indicate your choice by initialing next to the appropriate item(s) below.

(Initials)	N/A **I select Property Damage Uninsured Motorists Coverage at a limit of $15,000 for the following vehicle(s).** **(Specify Year/Make/Model):** _____ _____ _____ _____ **Premium: $**
_____	**I reject Property Damage Uninsured Motorists Coverage.**

_____ _____

Signature Of Applicant/Named Insured **Date**

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Compensation Agreement

Village of Long Grove & Arthur J Gallagher Risk Management Services, Inc.

THIS COMPENSATION AGREEMENT is made and entered into and effective the 31st day of December, 2015 ("Effective Date") by and between VILLAGE OF LONG GROVE, an IL Corporation ("Client"), and ARTHUR J. GALLAGHER RISK MANAGEMENT SERVICES, INC., an IL 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 thirty (30) 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 $3,325 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 3.5% 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. 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.	VILLAGE OF LONG GROVE
By: _____	By: _____
Name: _____	Name: _____
Title: _____	Title: _____