

**APPROVE AGREEMENT WITH MESIROW INSURANCE SERVICES, INC. TO PROVIDE
INSURANCE BROKER AND CONSULTING SERVICES**

THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:

Approve agreement with Mesirow Insurance Services, Inc. (Mesirow) to provide insurance broker and consulting services to the Bureau of Risk Management at a cost not to exceed \$400,000. Mesirow was selected on a competitive basis pursuant to Board Rule 7.2 (Specification No. 11-250025). A written agreement is currently

being negotiated. No payment shall be made to consultant prior to the execution of the written agreement. The authority granted herein shall automatically rescind in the event a written agreement is not executed within 120 days of the date of this Board Report. Information pertinent to this agreement is stated below.

- Submit a written report categorizing the Board's risk exposures.
- Prioritize Board's risk exposures and develop solutions.
- Prepare annual stewardship report.
- Use of Risk Pro computer program
- Actuarial Services without signoff.
- Written claim procedures
- Prepare insurance analysis with other system used by Board.

OUTCOMES: A comprehensive, cost-effective insurance program.

COMPENSATION: Mesirow shall be paid an annual brokerage administrative fee of \$155,000. Half of the fee will be paid upon assignment of services; the second half will be paid upon delivery of accurate insurance policies. Risk management loss control services will be paid at a flat annual rate of \$6,250. Certified actuarial reports will be billed at flat \$5,000 per signed report. Other consulting projects will be billed at rate of \$150 per hour thereafter and shall not exceed \$22,000 annually. Insurance programs must be placed on a fixed fee basis without commissions, and will be reported separately to the Board.

AUTHORIZATION: Authorize the General Counsel to include other relevant terms and conditions in the written

FINANCIAL:

Charge the Bureau of Risk Management: \$200,000
Budget Classification: 12470-210-54530-000-23111
Charge the Bureau of Risk Management: \$200,000
Budget Classification: 12470-210-54530-000-23111

Fiscal year 2012

Fiscal Year: 2013

Since the Statewide of Illinois prohibits the incurring of any liability unless an appropriation has been

previously made, expenditures beyond the current FY12 are deemed to be contingent liabilities only, subject to appropriation in subsequent fiscal year budgets.

GENERAL CONDITIONS:

Inspector General. Each party to the agreement shall acknowledge that, in accordance with 105 ILCS 5/24