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## **ARTICLE IV. INSURANCE**

### **DIVISION 1. TORT - GENERAL PRINCIPLES**

#### **Sec. 2-625. Definitions.**

- (1) Special Funds. Funds appropriated by the Board, other than the Corporate Fund.

#### **Sec. 2-626. Chain of communication.**

- (1) County administrator. All boards and commissions and elected and appointed heads of county departments shall direct claims, accident reports, additions and deletions affecting the county's statement of values, and contracts/lease agreements involving sub-contractors and volunteers and internships to the attention of the county administrator within three working days of receipt thereof. Any demand, knowledge of an event that might lead to a demand, legal notice, summons or other process or paper received by said elected official or employee shall be reported similarly.
- (2) State's Attorney. Any claim, suit or other proceeding brought against an elected official or an employee of the county, shall be forwarded as soon as practicable to the office of the state's attorney. Any demand, knowledge of an event that might lead to a demand, legal notice, summons or other process or paper received by said elected official or employee shall be forwarded similarly.

#### **Sec. 2-627. Cooperation.**

- (1) All boards and commissions and elected and appointed heads of county departments and all county employees shall cooperate with the county and, upon the county's request, assist in making settlements in the conduct of suits, and in enforcing any right of contribution or indemnity against any person or organization who may be liable to the employee, official or county. Where necessary, the employee or official shall attend hearing and trials and assist in securing and giving evidence and obtaining the attendance of witnesses.
- (2) All boards and commissions responsible for the management of Special Funds shall cooperate with the county in the administration and management of the county's self-insured portion of its risk management program. (See Rule II.340)
- (3) No board, commissions, elected or appointed head of a county departments or any county employee shall independently and voluntarily make any payment, assume any obligation or incur any expense relative to any claim.
- (4) No board, commissions, elected or appointed head of a county departments or any county employee shall adopt policies, rules or regulations contrary to the standards described throughout this Article.

#### **Sec. 628. Limits.**

- (1) Nothing in this Article shall be construed as a policy by the county to compensate its officials or employees for damage to their own personal property.
- (2) Nothing in this Article shall compel or require the county to indemnify any officer or employee who is willfully and wantonly acting beyond the scope of employment.
- (3) Covered property losses do not include losses due to the irresponsible use/mis-use of equipment by an employee, elected official or volunteer, lost equipment or normal wear-and tear.

**Sec. 2-629. Scope.**

(1) Property.

- A. Buildings and Contents. The Board shall insure, in full or in part at a level recommended by the Finance Committee against damages to or losses of county buildings and contents considered and treated as capitalized fixed assets on a replacement cost basis under a causes-of-loss form commonly known as special form and shall include earthquake coverage.
  - 1. The Regional Superintendent of Schools of ROE #55 shall maintain discrete inventories of county property under the control of that office (capitalized and non-capitalized) and other contents purchased and managed by the Regional Office of Education. The County's insurance program shall only cover property purchased with funds appropriated by the Board.
  - 2. Property purchased by or through the E-911 Board may be included in the County's insurance program. However, premiums may be prorated based on value. The E-911 Board shall maintain an inventory of E-911 property/equipment. Losses not covered by the County's insurance shall be borne solely by the E-911 Board/Fund.
- B. Machinery and Equipment. Machinery and equipment (i.e., equipment driven by electrical or mechanical power) coverage and earthquake coverage equal to the total property limit of insurance shall be maintained.
- C. Computer Equipment and Data Coverage. Computer equipment and data coverage shall be maintained.
- D. Additional Sub-limits. Sub-limits of coverage for flood and business income will be determined on an on-going basis will be determined by the Finance Committee.
- E. Inland Marine. Mobile property will be covered under the applicable type of Inland Marine coverage that best fits the type of mobile property. Open Perils (named exclusions) coverage with, when permitted, replacement cost settlement clause will apply.
- F. Automobiles. The Board will consider, with each evaluation or renewal regarding physical damages on automobiles the type of comprehensive and collision risk it wishes to accept for the next insurance contract term.
- G. Valuable Papers Coverage. Limits of coverage will be determined on an on-going basis by the Finance Committee.
- H. Business Interruption. (Reserved)

(2) General and Professional Liability. In general, the Board shall insure the County of Whiteside, Illinois against liabilities and/or losses for tortious acts under federal or state common or statutory law. Specifically, the Board shall insure against the following:

- A. Liabilities and/or losses imposed on it under the Workers' Compensation, the Workers' Occupational Diseases Act and the Unemployment Insurance Act pertaining to employees who receive a W-2 income tax reporting form from the County, including certain employees of the state and its agents, and other legally imposed liabilities as directed or advised to seek coverage for the legal counsel for the Board.
- B. Liabilities and losses, general and professional in nature, which may be imposed on the following employers:
  - 1. Whiteside County Board
  - 2. Elected office holders of the County

3. Employees of the 14<sup>th</sup> Judicial Circuit whose compensation is annually budgeted and appropriated by the Whiteside County Board.
  4. The Whiteside County Airport Board
  5. The Whiteside County Board of Review
  6. The Whiteside County Board of Health
  7. The Whiteside County Mental Health Board
  8. Public Aid Committee
  9. The Whiteside County Planning and Zoning Commission
  10. Members of the Farmland Assessment Committee
  11. The Whiteside County Public Building Commission
  12. The Whiteside County Emergency Telephone System Board (E-911 Board)
  13. The Whiteside County Enterprise Zone Management Organization
- C. Liabilities or losses, general and professional in nature, as allowed by law, which may be imposed on an elected official of Whiteside County, a county employee or volunteer.

**Sec. 2-630 through 2-639. (Reserved).**

## **DIVISION 2. LOSS MANAGEMENT**

**Sec. 2-640. Loss management plan.** Under the oversight of the Finance Committee, the County Administrator shall develop and manage a loss management plan built on the principles expressed in this Division.

**Sec. 2-641. Tort levy and fund.**

- (1) The county may impose a tort levy annually, as provided by statute, for the payment of premium, fund transfers and contingent expenses associated with the scope of insurance described in this Article.
- (2) The Board shall establish, maintain, appropriate and budget a tort fund for the purposes stated above.

**Sec. 2-642. Reserve fund.**

- (1) The Board shall maintain, appropriate and budget a Reserve Fund for the payment of claims due to severe covered property losses as described in this Article.
- (2) Deposits. The following may be deposited in the Reserve Fund.
  - A. Refunds and credits related to the county's property and casualty, general and professional liability and workers' compensation programs.
  - B. Transfer of contingency reserves from unspent appropriations, all or in part.
  - C. Appropriated and budgeted fund transfers.
  - D. Other funds deemed appropriate by the Finance Committee.

**Sec. 2-643. Corporate fund departments.**

- (1) Non-capitalized Fixed Assets.
  - A. Losses in General. All documented covered losses of non-capitalized fixed assets that are not paid by the insurance carrier, which are to be replaced, shall be borne by the department's operating budget(s).
  - B. Serious/Extensive Losses. In the event of serious or extensive losses, contingency reserves or the Reserve Fund may be expended to replace covered losses as determined by the Finance Committee in concert with the loss management plan.
- (2) Capitalized Fixed Assets. All documented covered losses of capitalized fixed assets which are to be replaced shall be borne by the Reserve Fund.

**Sec. 2-644. Special funds.**

- (1) Non-capitalized Fixed Assets. All documented and covered and otherwise eligible losses of non-capitalized fixed assets that are not paid by the insurance carrier, which are to be replaced, shall be borne by the special fund's operating budget(s).
- (2) Capitalized Fixed Assets. All documented and covered losses for equipment or improvements that are not paid by the insurance carrier, which are to be replaced, shall be paid by the Reserve Fund. However, recognizing Special Funds have been appropriated and spent to purchase certain capitalized fixed assets, in whole or in part, appropriations from special funds shall be transferred to reimburse the Reserve Fund.

**Sec. 2-645. Defense of and indemnification by county.**

- (1) The state's attorney's office shall provide legal services to defend all elected officials and employees of the county in any legal action wherein such elected officials and employees shall be named as a defendant by reason of their actions arising out of and in the scope of their employment by the county.
- (2) The county will satisfy all claims or judgments, in accordance with applicable laws of the state, against all elected officials or employees so long as said claims or judgments are based on transactions arising out of and in the course of employment or official acts of said elected officials or employees.
- (3) Paragraphs (1) and (2) of this Section shall not apply in the following instances:
  - A. The defense of any criminal charges or traffic charges brought against such elected officials or employees.
  - B. The defense of actions or the satisfaction of claims or judgments which are covered by a policy or policies of insurance.
- (4) The county shall provide investigative services and claims administration services to expedite prompt handling of any claims made against such elected officials and employees to the end that such elected officials and employees, whenever possible, will not be named as parties defendant to any litigation.

**Sec. 2-646 through 2-659. (Reserved).**

### DIVISION 3. RISK MANAGEMENT

#### Sec. 2-660. General risk management policies.

- (1) Employment.
  - A. The Board has adopted a core set of personnel practices which address, among other issues, sexual harassment, discrimination, drug and alcohol abuse and the handling of grievances (See "Personnel Practices" in this Code.). This core set of practices are expected to be followed by employees of the Board and its affiliate employers.
  - B. Work-place safety. (See Chapter 3 in this Code) Elected and appointed department heads may, from time to time, establish rules, policies and/or procedures to address the safe, day-to-day operations of their assigned departments. Employees are expected to comply with said work-place safety initiatives.
- (2) Incident Reporting. See the first section of this Article and Chapter 3 in this Code.
- (3) Private Vehicle Use. (See "Personnel Policies" in this Code)
  - A. A county official or employee driving any vehicle on county business shall have a valid driver's license.
  - B. No county official or employee shall use or direct anyone else to use a vehicle not owned by the county on county business, unless there exists a policy of insurance on such vehicle or person using such vehicle with at least the following coverages:
    1. for bodily injury, \$100,000.00 each person and \$300,000.00 each occurrence.
    2. For property damage, \$100,000.00 each occurrence.
  - C. The county assumes no responsibility or liability related to the employees' operation of their privately owned vehicles during the course of county employment.
- (3) County-owned vehicles. (This paragraph and subsections is intended to address loss control. For issues related to personnel practices, see "Personnel Practices" in this Code.)

This paragraph applies to all employees of the County of Whiteside, Illinois and the employees of affiliate employers that use county-owned vehicles. Affiliate employers may adopt policies more stringent than those presented in this paragraph.

- A. General Provisions. The employee responsible for a county-owned vehicle shall:
  1. not operate or store said vehicle in an illegal, reckless, or manner abusive to the vehicle.
  2. ensure driver and passengers properly use seat belts/restraints.
  3. lock the vehicle when left unattended, unless contra-indicated by the set of circumstances at the time.
- B. Personal Use.
  1. Sheriff's Department. Employees assigned a vehicle under the control of the Whiteside County Sheriff shall follow those policies established and maintained by the Sheriff.)
  2. Other Drivers. With the exception of emergency situations, only licensed employees of the county or affiliate employers shall drive county-owned vehicles.
  3. Passengers. Unless required as a part of the employee's work-related duties or work assignment, passengers are not permitted in county-owned vehicles without permission from their immediate supervisor.

**Sec. 2-661. Subcontractors.**

- (1) When an institution contracts with a vendor for materials, equipment, supplies, or services, that vendor's activities and the goods provided create an inherent liability risk to the institution. The goal of this section is to protect the County of Whiteside, Illinois from loss or reduce/limit exposure to loss resulting from any negligence on the part of an under/uninsured vendor who furnishes services to the Board or an affiliate board or commission.
- (2) Indemnification Required. Independent contractors or consultants performing work under contract or providing other services to the Board and any of the boards and/or commissions which it appoints are required to defend and hold the county harmless from any liability, loss, injury, or damage occurring during the performance of work. A sample/template is provided below:

Notwithstanding any other terms and conditions stated herein, including any obligations regarding insurance, (named consultant/contractor) will defend, indemnify, keep, save and hold harmless the County of Whiteside, Illinois, its agents, boards and commissions and individual members thereof, volunteers, officials and employees, from and against all liabilities, losses, suits, claims, judgments, fines or demands of every kind and nature (including all reasonable costs for investigation, reasonable attorney's fees, court costs and expert fees) arising out of or as a consequence of (named consultant/contractor) performance or non-performance of this Agreement or the enforcement thereof, including the enforcement of this indemnification provision, including any error, omission, negligence, or willful or intentional tortious conduct of (named consultant/contractor) or of any person employed or engaged by (named consultant/contractor) to perform the services on behalf of (named consultant/contractor). The duty to indemnify in this shall survive the expiration or termination of this Agreement and the expiration or termination of any obligation owing to either Party under this Agreement.

**Sec. 2-662. Certificates of insurance.**

- (1) Under the terms and conditions of a contract or agreement for services, the contractor, consultant, vendor, and/or others must be required to show evidence of adequate insurance coverage by furnishing the board or commission certificates of insurance indicating compliance with this Division. All Certificates of Insurance issued to a board or commission must:
  - A. Demonstrate compliance with contractor/consultant limits in this Division.
  - B. Demonstrate Contractual Liability Coverage and Defense and Indemnification of the Board and each affiliate board and commission engaging the services of subcontractors by the subcontracting party(ies).
  - C. Self-Insured Entities. Large companies are often self-insured and may not be able to provide a certificate of insurance. As an option, a statement signed by an authorized corporate officer assuming liability will be acceptable if the company has the necessary financial resources to guarantee payment when such liability is imposed by law. When evaluating the acceptability of self-insurance a recent audited financial statement and description of the Self-Insurance Program, including how it is funded, should be requested.
- (2) The receipt of any certificate does not constitute an acknowledgment or acceptance by the county that the insurance requirements in a contract or agreement have been fully met or that the insurance policies indicated on the certificate are in compliance with all agreement/contract requirements.
- (3) Developing/Awarding Requests for Proposals/Bids (RFP's/B's).
  - A. Department heads and affiliate boards and commissions authorized to prepare requests for RFP's/B's shall be mindful of the inherent and potential liabilities associated with the project/agreement being contemplated. It is incumbent upon department heads overseeing RFP/B development to ensure appropriate insurance coverages and risk management practices are sufficiently described.
  - B. A Certificate of Insurance shall be requested by department head overseeing the RFB/P.
- (4) Insurance/Risk Management Requirements for Contractors and Consultants. The following are insurance issues to be considered and incorporated into agreements/contracts:

- A. Contractors/Consultants shall provide and maintain the insurance limits stipulated in the agreement throughout the term of the agreement and any time period following expiration if required to do so.
- B. Non-conforming insurance shall not relieve the consultant/contractor of the obligation to provide insurance as specified in the agreement/contract. Non-fulfillment of the insurance conditions contained in an agreement/contract may constitute a violation of the agreement/contract.
- C. Coverages and limits furnished by consultants/contractors shall in no way limit the consultant's/contractor's liabilities, duties to indemnify and responsibilities specified within the agreement/contract or by law.
- D. Subcontractors/subconsultants engaged by the contractor/consultant shall be subject to the same insurance requirements of the contractor/consultant. Consultants/contractors shall ensure all subcontractors/ subconsultants meet said requirements.
- E. Exceptions. Exceptions to the insurance limit requirements outlined in this section may be applied by the county administrator, in conjunction with appointed and elected department heads and the county's insuring agent. In such situations, it may be determined that little or no risk is involved in which case the limits may be lowered or the requirement eliminated. Conversely, it may be determined that additional risk is involved in which case the limits may be raised.

**Sec. 2-663. Contractor/consultant limits**

(1) Standard Limits (Including Elevator Maintenance)

- A. The county will be shown as an additional insured. Such coverage shall be primary and non-contributory.
- B. Commercial General Liability (Including Products/Completed Operations)
  - 1. Aggregate - \$2,000,000
  - 2. Each Occurrence - \$1,000,000

If the above insurance is written on a claims made form, it shall continue for three years following termination of the agreement. The insurance shall provide for a retroactive date of placement prior to or coinciding with the effective date of the agreement.

- C. Worker's Compensation: Statutory Limits for Illinois (including owners or partners who are active in the business). A Waiver of Subrogation is required.
- D. Business Automobile Liability for Owned, Scheduled, Non-Owned, or Hired Automobiles with a combined single limit of not less than \$ 1,000,000 per occurrence.

(2) Construction Contracts. The county reserves the right to require higher limits commensurate with the construction project.

For projects estimated under \$10,000 in expense, see "Standard Limits" in this Article.

For projects estimated to exceed \$10,000 in expense and/or involve mechanized excavating, the following policies typically apply:

- A. The county will be shown as an additional insured. Such coverage shall be primary and non-contributory and shall include two(2) years coverage under completed operations.
- B. Commercial General Liability (Including Products/Completed Operations)
  - 1. Aggregate: \$2,000,000
  - 2. Each Occurrence: \$1,000,000

- C. If hazardous substance is involved: Contractor's Pollution Liability (With one year extended reporting period.)
  - 1. Aggregate: \$2,000,000
  - 2. Each Occurrence: \$1,000,000
- D. Property Coverage - Inland Marine coverage ("contractor's property on county premises) at a limit to be determined by the value of the project. For large projects, a leased or borrowed equipment provision may be required by the county. (Consult the county administrator.)
- E. Umbrella Coverage may be required, depending on the size and scope of the project. Typically, the county asks for umbrella coverage with a \$3,000,000 limit for construction contracts.

If the above insurance is written on a claims made form, it shall continue for three years following termination of the agreement. The insurance shall provide for a retroactive date of placement prior to or coinciding with the effective date of the agreement.

- F. Bid and Performance Bonds: guaranteeing the completion of any construction authorized (for projects of \$10,000 or more).
- G. Personal and Advertising Injury: \$1,000,000
- H. Business Automobile Liability for Owned, Scheduled, Non-Owned, or Hired Automobiles with a combined single limit of not less than \$ 1,000,000 per occurrence.
- I. Workers' Compensation: as required under Illinois Law (including owners or partners who are active in the business). A Waiver of Subrogation is required.

(3) Architects, Engineers, Consultants, and Construction & Project Managers

- A. The county will be shown as an additional insured. Such coverage shall be primary and non-contributory.
- B. Commercial General Liability (Including Products/Completed Operations)
  - 1. Aggregate: \$2,000,000
  - 2. Each Occurrence: \$1,000,000
- C. Professional Liability Insurance:
  - 1. Aggregate: \$3,000,000 (may be adjusted, depending upon size and scope of work)
  - 2. Each occurrence: \$1,000,000
- D. Umbrella Coverage may be required, depending on the size and scope of the project. Typically, the county asks for umbrella coverage with a \$3,000,000 limit.

If the above insurance is written on a claims made form, it shall continue for three years following termination of the agreement. The insurance shall provide for a retroactive date of placement prior to or coinciding with the effective date of the agreement.

- E. Personal and Advertising Injury: \$2,000,000
- F. Business Automobile Liability: for Owned, Scheduled, Non-Owned, or Hired Automobiles with a combined single limit of not less than \$1,000,000 per occurrence.
- G. Workers' Compensation: as required under Illinois State Law (including owners or partners who are active in the business). A Waiver of Subrogation is required.

(4) Independent Consultant Agreements

- A. The county will be shown as an additional insured. Such coverage shall be primary and non-contributory.
- B. Commercial General Liability (including Products/Completed Operations)
  - 1. Aggregate: \$1,000,000
  - 2. Each Occurrence: \$1,000,000
- C. Professional Liability Insurance:
  - 1. Aggregate: \$1,000,000 (may be adjusted, depending upon size and scope of work)
  - 2. Each occurrence: \$1,000,000
- D. Umbrella Coverage may be required, depending on the size and scope of the project. Typically, the county asks for umbrella coverage with a \$1,000,000 limit.

If the above insurance is written on a claims made form, it shall continue for three years following termination of the agreement. The insurance shall provide for a retroactive date of placement prior to or coinciding with the effective date of the agreement.

- E. Personal and Advertising Injury: \$1,000,000
- F. Business Automobile Liability: for Owned, Scheduled, Non-Owned, or Hired Automobiles with a combined single limit of not less than \$1,000,000 per occurrence.
- G. Workers' Compensation: as required under Illinois Law (including owners or partners who are active in the business). A Waiver of Subrogation is required.

(5) Service Agreements (Includes Security Services)

- A. The county will be shown as an additional insured. Such coverage shall be primary and non-contributory.
- B. Commercial General Liability (including Products/Completed Operations)
  - 1. Aggregate: \$2,000,000
  - 2. Each Occurrence: \$500,000
- C. Professional Liability Insurance:
  - 1. Aggregate: \$1,000,000 (may be adjusted, depending upon size and scope of work)
  - 2. Each occurrence: \$1,000,000
- D. Umbrella Coverage may be required, depending on the size and scope of the project. Typically, the county asks for umbrella coverage with a \$1,000,000 limit. However, limited may be adjusted depending upon the size and scope of the agreement.

If the above insurance is written on a claims made form, it shall continue for three years following termination of the agreement. The insurance shall provide for a retroactive date of placement prior to or coinciding with the effective date of the agreement.

- E. Personal and Advertising Injury: \$1,000,000
- F. Business Automobile Liability: for Owned, Scheduled, Non-Owned, or Hired Automobiles with a combined single limit of not less than \$1,000,000 per occurrence.
- G. Workers' Compensation: as required under Illinois Law (including owners or partners who are active in the business). For Leased Workers, the County shall be named as an Alternate Employer. A Waiver of Subrogation is required.

**Sec. 2-664. Reporting losses.** The appropriate Standing Committee and the Finance Committee shall be apprized of capitalized fixed asset losses paid from the Reserve Fund at least quarterly.

**Sec. 2-665 through 2-684 (Reserved).**

#### **DIVISION 4. GROUP HEALTH AND LIFE ADMINISTRATION**

(See Chapter 3)

**Sec. 2-685. Professional services.**

- (1) In designing the kind of insurance benefits and features provided by the group insurance programs, the Board may enter into contracts for the following professional services:
  - A. Advice concerning the level of benefits typically offered to other groups of similar size and composition.
  - B. Solicitation, from the open market, of group insurance plan quotes and an assessment of said proposals, in terms of value and cost.
  - C. Development, establishment and maintenance of a plan that identifies, prioritizes and attempts to lay out a schedule of changes that addresses plan improvements, risk reductions and risk management.
  - D. Identification of acceptable areas of risk which the Board should consider for self-insuring.  
(Effective July 1, 2002 Ord. #4 Adopted May 21, 2002)

**Sec. 2-686. Administration**

- (1) Employer-provided administration of the group insurance program, unless out-sourced by the Board, shall be assigned to the Office of the county administrator.
- (2) The Board shall be authorized to develop policies that prescribe the method-of-operation of the insurance program. Said policies shall carry the weight of regulation and shall be included in the Whiteside County Code. (Effective July 1, 2002 Ord. #4 Adopted May 21, 2002)

**Sec. 2-687. Dental plan.**

- (1) The Board shall establish, maintain, and operate a self-insurance program for employee-group dental benefits.
- (2) The program shall operate pursuant to a plan approved by the Board.
- (3) The Board shall contract for claims processing, claims management and other administrative services only (ASO). (Effective July 1, 2002 Ord. #4 Adopted May 21, 2002)

**Sec. 2-688. Employer premiums during IMRF disability.** The Corporate Fund will bear all employer-related premium expenses related to an employee placed on IMRF temporary disability.

**Sec. 2-689 through 2-700. (Reserved).**