

Executive Summary

Hub is pleased to present the property/casualty insurance proposal of the 12-31-25 to 12-31-26 policy renewal period for the City of Aurora. This program consists of the excess public entity/law enforcement/public officials liability coverage including auto liability, multiple excess liability layers, excess workers compensation/employers' liability, cyber liability, crime, property, equipment, fine arts and special event liquor liability coverage.

Hub conducted a full marketing of your Property and Casualty program approaching more than 20 carriers specializing in the Public Entity insurance space and are confident we did not leave any stone unturned. All the carriers providing terms are A.M. Best rated A- or better, which is one of the four highest ratings available, and carries a minimum of \$50 million in Policyholders' Surplus.

Casualty Lines - Hub is recommending a renewal of the casualty lines to continue with Safety National for the first \$5M layer and a new carrier to the program, Obsidian, on the next \$10M, then Vantage Risk for the next \$5M, followed by Allied World, and finally Great American with the final \$10M (see slide 4 for the limit structure). Please note that while the exposures reported during the application process are up 3.3% on average and the total premium is up 3.84%, we have negotiated a rate increase of only 0.54%. This is an excellent outcome since the average account in the public entity sector is receiving a rate increase in the mid-high single digits with most Cook County accounts averaging rate increases of 20-30% this year.

Excess Workers Compensation – Safety National has offered terms with same Self-Insured Retention of \$1M for the Police and Fire employee class with all other employees remaining at \$675k. This continues to reflect current market conditions and loss costs. The Employer Liability limits continue at \$5M/\$5M/\$5M to reflect the carrier's policy form. The premium has increased by less than 1% however the estimated payroll has increased by nearly 6% so the effective rate has decreased by 5.78%.

Property – The property market has softened over the last year with additional carriers interested in writing Public Entities. In addition to the incumbent carrier, Chubb, Hub also approached Liberty Mutual and Travelers with Travelers providing competitive pricing. After comparing the Chubb and Travelers options, we recommend renewing with Chubb as they continue to offer a very comprehensive coverage platform with certain coverage items that are not available with competing markets. The premium change is reflective of a soft and competitive market.

Cyber – the cyber market for municipalities continues to be very challenging with shrinking capacity and increasing rates. Hub is again recommending renewing with AIG on the first \$5M and Coalition on the \$5M excess layer. The total cost of the cyber program has increased by approximately 7% over the current term, which is an excellent outcome in an ever-challenging environment and a testament to the City's controls.

The bottom-line premium for all lines of coverage has decreased by approximately 3.78% or \$119,551 over expiring. This decrease is driven by the competitive property market, and favorable rates negotiated with the Casualty carriers.

Hub International thanks the City of Aurora for the continuing opportunity to be of service.