

**ILLINOIS**

**Department of  
Central Management Services**

**INSURANCE SERVICES  
BROCHURE**

**BUREAU OF BENEFITS  
RISK MANAGEMENT  
DIVISION**

**Rod R. Blagojevich, Governor  
Paul J. Campbell, Acting Director**

**STATE OF ILLINOIS**

**CENTRAL MANAGEMENT SERVICES**

**RISK MANAGEMENT DIVISION**

**INSURANCE SERVICES BROCHURE**

## TABLE OF CONTENTS

<b>Introduction</b>	<b>1</b>
<b>Directory of Services</b>	<b>2</b>
<b>Self-Insured General Liability Plan</b>	<b>3</b>
<b>Self-Insured Employee Indemnity Plan</b>	<b>3</b>
<b>Self-Insured Motor Vehicle Liability Plan</b>	<b>4</b>
<b>Self-Insured Fidelity and Surety Bond Coverage</b>	<b>5</b>
<b>Self-Insured Workers' Compensation Program</b>	<b>6, 7</b>
<b>Auto Physical Damage Master Insurance Policy</b>	<b>8</b>
<b>Electronic Data Processing Master Insurance Policy</b>	<b>9</b>
<b>Notary Public Bond Insurance</b>	<b>10</b>
<b>Aircraft Master Policy and Physical Damage Coverage (Optional)</b>	<b>11</b>
<b>Watercraft Master Policy</b>	<b>11</b>
<b>Fine Arts Master Policy</b>	<b>11</b>
<b>Equipment Coverage</b>	<b>11, 12</b>
<b>Business Interruption Coverage</b>	<b>13</b>
<b>Special Property Coverage</b>	<b>13</b>
<b>Special Events Liability Coverage</b>	<b>14</b>
<b>Special Liability Coverage</b>	<b>14</b>
<b>Commercial Insurance Purchase Information</b>	<b>14</b>
<b>Certificate of Coverage</b>	<b>15</b>
<b>Commercial Insurance Premium Payment Requirements</b>	<b>15</b>
<b>Claims Handling Information</b>	<b>16</b>
<b>Conclusion</b>	<b>17</b>

## INTRODUCTION

### STATE INSURANCE COVERAGES

The Department of Central Management Services has the statutory responsibility to administer the State of Illinois' self-insured liability programs. Risk Management is responsible for the procurement of commercial insurance coverages, when necessary, to insure state property against loss and damage, and protect employees and citizens through the procurement of liability insurance.

Central Management Services, Risk Management Division, is the state's insurance company for all coverages except employee benefits. The division:

- Buys or provides most coverages that are required by law, requested by agencies or needed for the efficient operation of the state.
- Manages the state's insurance fund to pay liabilities and defend state officers, employees and agents accused of tort liability arising out of their state employment.
- Provides risk control advice to state agencies. (Risk control means taking steps to minimize or prevent the possibility of loss).

The Department of Central Management Services, Risk Management Division procures commercial insurance coverages in which premiums are anticipated to exceed \$25,000 annually through the formal bid process. Request for proposals or bid specifications must be prepared and mailed to various insurance agencies to be brokered through insurance companies. Quotes from insurance agencies are obtained for coverages falling under the \$25,000 premium limit. Approximately fifty-three (53) insurance agencies are approved in the formal bid process via the Illinois Procurement Bulletin electronically through the Internet at <http://www.ppcenter.com>. Various insurance agencies are approved for quotes, where the anticipated premium is less than \$25,000. Two (2) of these quotations must be received from BEPFM (Business Enterprise Program For Minorities) vendors. All premium invoices for insurance coverages are routed through Risk Management to the various agencies for processing. Approximately \$850,000 in insurance premiums are administered through Risk Management Insurance Procurement annually.

Contact Central Management Services, Risk Management Division, concerning commercial insurance purchasing information and questions regarding the State of Illinois' self-insured programs.

## DIRECTORY OF SERVICES

### Central Management Services Division of Risk Management

General Information	217/785-4197
General Liability Self-Insured Plan	217/785-1935
Employee Indemnity Self-Insured Plan	217/785-4197
Auto Liability Section	217/782-0202 1-800-442-1300, depress #4
Fidelity and Surety Self-Insured Plan	217/785-1935
Workers' Compensation Self-Insured Plan	217/785-4197
Insurance Procurement	217/785-1935

Direct all correspondence to: Central Management Services  
Bureau of Benefits  
Division of Risk Management  
201 E. Madison, Suite 3-C  
P.O. Box 19208  
Springfield, Illinois 62794-9208

**STATE OF ILLINOIS SELF-INSURED  
GENERAL LIABILITY PLAN**

The State of Illinois Self-Insured Comprehensive General Liability Plan is issued and administered by the Department of Central Management Services, Division of Risk Management, pursuant to Public Act 79-1331. The coverages provided under the Comprehensive General Liability Plan parallel those in a commercial Comprehensive General Liability insurance policy. Bodily injury or property damage caused by occurrence and arising out of State agencies' operations are covered under the plan. The plan covers liability for financial loss resulting from being found legally liable due to negligence on the part of a State agency or employee. The plan provides liability protection to employees and authorized non-state employees of all agencies, board and commissions if the claims against them are based on or arise out of acts within the scope of their state employment.

Pursuant to statute, coverage under the plan is limited to \$100,000 per occurrence, except for licensed physician employees when the limit is \$500,000. In addition to the \$100,000 per occurrence coverage, the plan provides for the defense, investigation and adjusting costs related to claims. The State shall provide for and coordinate the defense and investigation of any suit against an employee where damages are sought. The Attorney General and the affected agency handle such claims or occurrences even if the allegations of such are groundless, false or fraudulent. Injury or damages brought about or contributed to dishonesty, gaining of personal profit, or criminal acts of an employee are excluded from the plan. This plan also excludes auto liability cases.

**STATE OF ILLINOIS SELF-INSURED  
EMPLOYEE INDEMNITY PLAN**

The Employee Indemnity Plan provides coverage to individuals who are sued for acts or omissions occurring within the scope of their employment with the State of Illinois. When civil proceedings are brought against a state employee in such circumstances, the employee must notify the Office of the Attorney General within fifteen days. This notice authorizes the Attorney General to represent and defend the individual and constitutes an agreement by the employee to cooperate in his/her own defense. Many of these cases involve violations of the civil or constitutional rights of others.

The plan provides not only legal representation, but also indemnification against other costs and penalties. That is, the state will pay for the legal defense, including court costs, and also any settlement amount, court judgment, damages, or other related claims cost. These payments are made by the Department of Central Management Services. Prior to payment, the final judgment or settlement document is certified by the chief administrative officer of the employing agency by the Office of the Attorney General. The plan does not cover auto liability cases. Other exceptions include willful and wanton behavior and intentionally destructive acts. Questions can be directed to your agency's legal office or to Central Management Services, Risk Management.

## **STATE OF ILLINOIS SELF-INSURED MOTOR VEHICLE LIABILITY PLAN**

Pursuant to Public Act 79-1331, effective August 7, 1976, the State of Illinois “self-insured” its fleet of motor vehicles. Rather than paying automobile insurance premiums to an insurance company, the State guarantees that it will meet the costs of vehicle claims, for which it becomes legally liable, through and appropriation from the Legislature.

The State of Illinois’ Self-Insured Motor Vehicle Liability Plan provides coverage to employees and authorized non-state employees of all agencies, universities, boards and commissions, not to exceed \$2,000,000 per occurrence for bodily injury liability and property damage liability, while operating a state owned, leased, or controlled motor vehicle in the scope of employment.

The Department of Central Management Services, Risk Management Division, is responsible for administering the Motor Vehicle Liability Plan. Vehicle claims are handled by staff adjusters in the Auto Liability Section of the Risk Management Division. The staff adjusters investigate, evaluate, and conclude all auto claims involving a third party. The service of an outside vendor is utilized to verify the damages above \$2,000 to a third party’s vehicle through the use of an itemized appraisal of damage.

Adjusters are available to assist agency auto coordinators in the area of factual proof necessary to substantiate a subrogation claim, when they are involved in collecting money for damages done to their agency’s vehicle. If the accident is caused by the other party, not the state driver, the employing state agency subrogates against the other driver or the other driver’s insurance company.

Each agency appoints an accident coordinator who is responsible for reporting completely and promptly each motor vehicle accident incurred in his/her respective department. This written report is to be submitted to Risk Management Division, Auto Liability Section within seven (7) calendar days after the accident. Failure to promptly and properly report the accident within seven (7) days could result in denial of coverage under the plan.

Specific procedures and forms for accident coordinators are covered in an auto coordinator’s manual provided to the auto coordinators by the Division of Risk Management. The Auto Liability Unit conducts workshops with the auto coordinators at various locations around the State to provide training for new coordinators and a refresher for the seasoned coordinators.

The Attorney General’s Office is responsible for the defense of suits arising from vehicle accidents. The staff adjusters work with the Attorney General’s Office in bringing the litigated cases to a resolution before trial if such resolution is advantageous to the State.

The Self-Insured Motor Vehicle Liability Program with the in-house claims handling represents the most effective way to protect the State and its employees from liability resulting from automobile accidents. Claims may be directed to the Auto Liability Unit at 217-782-0202 or 1-800-442-1300, depress #4

## **STATE OF ILLINOIS SELF-INSURED FIDELITY AND SURETY BOND COVERAGE**

The State of Illinois Self-Insured Fidelity and Surety Bond Plan is issued and administered by the Department of Central Management Services, Risk Management Division. The Fidelity and Surety Bond Plan is similar to commercial coverage for employee fidelity and surety, or honesty and faithful performance.

Officials covered under the Self-Insured Fidelity and Surety Bond Plan include department and division heads, and employees who handle money, authorize payment and are involved in inventories. This coverage is an assurance that items of value entrusted to an employee's care will be used for the intended purpose and not diverted to some private benefit.

Specifically this coverage includes:

- 1) all executive administrative, judicial and supervisory officials
- 2) department and division heads
- 3) assistant department and division heads
- 4) all peace officers

Also included are officials and employees whose principal duties include the following:

- 1) to handle, receipt for, or have custody of money, checks or securities to account for supplies or other property
- 2) to authorize or make appropriations for expenditures
- 3) to approve, certify, sign or countersign checks, drafts, warrants, vouchers, orders or other documents providing for the paying or delivery of money, securities, supplies or other property
- 4) to take physical inventories of money, checks, securities, supplies or other property.

In FY88, legislation was introduced to the General Assembly permitting either the purchase of commercial insurance or the implementation of a program of self-insurance. This legislation passed both houses of the General Assembly and the Governor approved the legislation with an effective date of June 30, 1989, as Public Act 86-0012.

Based on the provisions of Public Act 86-0012, employee fidelity and surety exposures are now covered through self-insurance. Claims and administrative costs of the self-insurance program shall be paid on a pro rata and per occurrence basis out of appropriated funds of the self-insured agency.

### **LOSSES**

Any losses covered by the self-insured blanket bond shall be absorbed by the agency suffering the loss. Special appropriations requested by the self-insured agency and approved by the legislature is the process for loss reimbursement.

If agencies should require a Certificate of Insurance evidencing this self-insured coverage, please contact Central Management Services, Risk Management.

## STATE OF ILLINOIS SELF-INSURED WORKERS' COMPENSATION PROGRAM

The Department of Central Management Services has the statutory responsibility to administer the Workers' Compensation Program for State of Illinois employees. In addition, the Director of the Department of Central Management Services has the authority to delegate claims administration and payment to state agencies, boards, commissions and universities. However, the Division of Risk Management has the responsibility to oversee decentralized claims operations to ensure compliance with prevailing laws and standards.

The primary objectives of the Workers' Compensation Program are: 1) to provide prompt and equitable services to eligible employees and to return them to productive work as safely and quickly as possible; 2) to provide prompt payment to providers for reasonable and necessary medical treatment; and 3) to assure the taxpayer that resources are managed effectively and prudently.

The Illinois Worker's Compensation Act and the Occupational Diseases Act, governed by the Illinois Industrial Commission, provide protection to employees from the economic hardship resulting from a work-related accident or disease. The benefits include payment of bills for necessary medical treatment, rehabilitation services, temporary disability income payments, and in some cases a settlement to compensate for permanent impairment that the employee may have as a result of the injury or disease.

Adjustors are available to ensure efficient and proper claims administration in three main areas: 1) initial claim review for determining compensability; 2) ongoing benefit management (including payment of medical charges and temporary disability; and 3) proper negotiation of settlements based on partial or total permanent disability.

The initial claims process begins with the injured employee notifying the employing agency of the accident. The state agency or university Workers' Compensation Coordinator or immediate supervisor is then responsible for providing the employee with the proper forms to be completed to ensure timely and efficient processing of his/her claim for benefits. If the employee requires medical treatment or does lose time from work, all necessary documentation must be forwarded to Risk Management in a timely manner. Every effort should be made to provide Risk Management with the required documentation no later than thirty (30) days of receipt of the Employee's Notice of Injury (DP-900-1 form) on "medical only" claims, and fifteen (15) days for those employees requesting temporary total disability benefits. By receiving the accident information within this timeframe, the claim can be adjudicated in a prompt and efficient manner, thereby benefiting the employee, as well as the claims administration unit.

Specific procedures and forms for worker's compensation agency coordinators are covered in the Workers' Compensation Coordinator's manual provided to the coordinators by the Department of Risk Management. The Workers' Compensation Unit conducts annual meetings with the coordinators at various locations around the state to provide training sessions for new coordinators and a refresher for the seasoned coordinators.

**The Attorney General's Office is responsible for the defense of claims arising from work-related injuries or disease. The claims adjustors work with the Attorney General's Office in bringing the litigated cases to a resolution if such resolution is advantageous to the State. Otherwise, when both parties fail to reach an agreement, disputed claims are heard in front of an Illinois Industrial Commission Arbitrator for disposition. Questions may be directed to the Workers' Compensation Unit, Risk Management Division of Central Management Services.**

## **AUTO PHYSICAL DAMAGE MASTER POLICY**

The State of Illinois, Central Management Services, Risk Management Division, offers commercial insurance for comprehensive and collision vehicle coverage to all state agencies, departments, boards, commissions, and universities.

Comprehensive and collision/physical damage insurance is provided to agencies for coverage of auto accidents or losses involving state-owned or leased vehicles. Comprehensive and collision coverage is for physical damage only to those state owned or leased vehicles. Third party liability and bodily injury are covered under the State of Illinois Self-Insured Motor Vehicle Liability Plan financed with appropriated funds. Bodily injury to a state employee is a Workers' Compensation claim if injury was sustained within the scope of employment.

Agencies operating non-motorpool vehicles have two options with respect to comprehensive and collision coverages. First, the agency can elect to self-insure the risk. In this case, in the event of a loss, the agency would pay to have its car repaired or replaced out of its operations appropriations. Second, the agency can elect to have its vehicle or vehicles endorsed onto the state's master policy. In this case, the agency pays its respective share of the premium and the risk is transferred to the commercial insurance company.

Commercial physical damage coverage is the exception rather than the rule for most agencies. Usually agencies choose to self-insure their vehicles. Three categories of consideration regarding the purchase of commercial insurance for an agency's vehicle fleet are as follows: the vehicle may have a value which is relatively high in relation to the agency's operations appropriation; the vehicle is leased and commercial insurance is a condition of the lease; and the agency is a small agency and replacement cost for the damaged vehicle would be prohibitive.

Risk Management currently purchases a commercial master auto policy with a \$2,500 deductible for comprehensive damage and a \$2,500 deductible for collision coverage. Quotes for coverage on owned or leased vehicles may be obtained by contacting Risk Management. The pertinent information necessary to obtain an insurance quote for coverage on a vehicle is as follows: make, model, serial number, garage location, cost of vehicle, most frequent drivers, and effective date of coverage. After insurance coverage is obtained, it is necessary to notify Risk Management promptly of any changes with respect to the insured vehicle or fleet of vehicles such as additions, deletions, and garage locations. Currently, forty-two (42) state agencies are endorsed onto the master policy insuring approximately 525 vehicles.

Questions regarding the auto physical damage master insurance policy should be directed to Central Management Services, Risk Management, (217)785-1935.

## **ELECTRONIC DATA PROCESSING MASTER POLICY**

The State of Illinois, Central Management Services, Risk Management Division offers commercial insurance coverage for electronic data processing equipment to all agencies, boards, universities, and commissions.

The master EDP insurance policy is provided to agencies for coverage of an "All Risk" type of direct physical loss or damage to the covered electronic data processing equipment. The policy covers the cost to refill any of the Halon Systems located on insured premises which protect the data processing operations if they discharge as designed to control a loss covered under the policy as well as the cost to recharge the system if it discharges accidentally. In addition, the policy insured covered EDP equipment against the following perils (normally excluded):

1. Damage due to mechanical failure, faulty construction or error in design unless fire or explosion ensues, and then only for loss, damage, or expense caused by such ensuing fire or explosion;
2. Dryness or dampness of atmosphere, extremes of temperature, corrosion or rust unless directly resulting from physical damage to the data processing system's air conditioned facility caused by a peril not excluded by the provisions of this policy;
3. Short circuit, blow out, or other electrical disturbances, other than lightning, within electrical apparatus, unless fire or explosion ensues and then only for loss, damages or expenses caused by such ensuing fire or explosion;
4. Actual work upon the property covered, unless fire or explosion ensues, and then only for loss, damages or expenses caused by such ensuing fire or explosion.

EDP master policy exclusions include: inherent vice, wear, tear, gradual deterioration or depreciation; dishonest, fraudulent or criminal act by any insured; delay or loss of market, war risks or nuclear risks; or business interruption. Terrorism coverage damage is available from year to year on an "if can afford" basis on the policy as a whole. Individual agencies cannot pick and choose types of coverage.

Agencies with EDP equipment can self-insure the risk of loss or damage to such equipment. In this case, in the event of a loss, the agency would pay to have its equipment repaired or replaced out of its operations appropriations. An agency can elect to have its EDP equipment endorsed onto the master policy. In this case, the agency pays its respective share of the premium, and the risk is then transferred to the commercial insurance company. Many state agencies lease EDP equipment; lease conditions often require commercial insurance coverage.

Risk Management currently purchases a master EDP policy from a commercial insurance company and offers \$2,500 deductible rate. Fifty-four (54) state agencies are endorsed onto the master policy. Questions regarding the EDP master insurance policy should be directed to Central Management Services, Risk Management Division.

## NOTARY PUBLIC BOND INSURANCE

Central Management Services, Risk Management Division, is responsible by Statutes, Chapter 103, par. 14.3, and Chapter 127, par. 63b4, for the handling of all fidelity and surety insurance exposures, including notary public bonding, for all state agencies, boards and commissions.

Notaries are appointed by the Secretary of State for a term of four years. An applicant for appointment must: 1) be a citizen of the United States or an alien lawfully admitted for permanent residence; 2) be a resident of the State of Illinois for at least 30 days; 3) be at least 18 years of age; 4) be able to read and write the English language; 5) have not been convicted of a felony; and 6) have not had a notary commission revoked during the past 10 years.

An applicant must complete the application form provided by the Secretary of State, which includes the oath of office. He or she must also obtain from a bonding or surety company a \$5,000 notary bond effective for a four-year term. The application and bond are then forwarded to the Secretary of State along with the \$10 filing fee. If the Secretary of State approves the application, a commission will be issued.

The commission will be mailed to the county clerk of the county in which the applicant resides. The appointment is not complete until the commission is recorded with the county clerk. The recording with the county clerk may be done in person or by mail. The county clerk will notify the applicant of the procedure.

When the applicant has recorded his or her appointment with the county clerk and has received the commission, the appointment is complete. The notary must then obtain an official seal and can perform notarial acts anywhere in the State of Illinois, as long as he or she continues to reside in the county in which he or she was commissioned.

Illinois notaries are appointed for a four-year (4) term. Notaries are not automatically reappointed. A notary public whose appointment is about to expire and who wishes to continue to be a notary shall follow the same procedure used for a new appointment. Applications should be submitted to the Secretary of State at least one month prior to the expiration date of the current appointment.

The \$5,000 bond must be issued by a company qualified to write surety bonds in the State of Illinois. In order for a company to write bonds, that company must be qualified to do so with the Illinois Department of Insurance.

Risk Management offers a \$5,000 bond for notary public commissions for state employees performing notary services for their respective agencies. We currently contract with Western Surety Insurance Company, through a broker, to obtain notary bond coverage at a cost of \$30 per bond. The information necessary for preparation of the bond includes: name, home address, county, employer name and address, work and home telephone numbers, social security number, and birthday. Questions regarding notary public bonds should be directed to Central Management Services, Risk Management Division.

## **AIRCRAFT MASTER LIABILITY POLICY AND PHYSICAL DAMAGE COVERAGE (OPTIONAL)**

Risk Management currently procures a fixed wing aircraft (airplane) and a rotary wing aircraft (helicopter) liability policy with twenty-one (21) fixed wing aircraft and six (6) rotary wing aircraft insured for three (3) state agencies. Current insureds under this policy are the Department of Transportation, Illinois State Police, and Illinois Toll Highway Authority.

The coverage limit for both types of aircraft are \$25 million each occurrence and a \$25 million aggregate. This coverage provides third party bodily injury and property damage protection.

Risk Management currently procures a Master Aircraft Policy. Questions on this Master Policy can be directed to Central Management Services, Risk Management Division.

## **WATERCRAFT MASTER POLICY**

Risk Management procures commercial all-risk type direct physical damage insurance coverage for watercraft vessel, on-board equipment and machinery. Hull policies insure against damage to, or loss of, the ship itself. At the current time, IDNR, Law Enforcement Water Survey, and Natural History Survey are covered under the master watercraft policy.

Contact Central Management Services, Risk Management Division for further information regarding watercraft insurance.

## **FINE ARTS MASTER POLICY**

Risk Management purchases a master fine arts insurance policy. The all-risk type policy covers fine arts at specified locations, while in transit, and includes coverage extensions for breakage of fragile articles and risks while on exhibit (subject to certain restrictions and exclusions).

Currently, Illinois State Museums, Historic Preservation Agency, and the Department of Transportation have some coverage under the master fine arts policy.

Questions can be directed to Central Management Services, Risk Management Division.

## **EQUIPMENT COVERAGES**

Risk Management procures all-risk type insurance coverage for various equipment owned or leased by state agencies, boards, universities, and commissions. Rates covering equipment vary according to risk exposure, type of equipment and location. Certain lease/purchase agreements require the purchase of commercial insurance coverage.

Risk Management offers commercial all-risk type master inland marine insurance policies covering mobile telephones and camera equipment, a property policy covering

**portable surveying equipment and contractors equipment, and a master commercial office contents policy covering copy and printing machines and various office equipment. Electronic data processing equipment insurance coverage is separate from Equipment Insurance and is listed on Page nine (9) of the brochure. Rate information can be obtained by calling Central Management Services, Risk Management Division.**

## **BUSINESS INTERRUPTION COVERAGE**

**Risk management offers business interruption insurance coverage to state agencies under special circumstances. Coverage applies to the actual loss of business income sustained due to suspension of operations and to extra expenses incurred to avoid or minimize a suspension of operations during a period of restoration. The suspension of operations must be caused by a direct physical loss of, or damage to, property at the insured premises (including personal property in the open or in a vehicle within 100 feet of the premises) caused by or resulting from a covered cause of loss. Business income coverage pays the actual losses of business income, which is defined as net income plus continuing operating expenses.**

**Contact Risk Management for additional information regarding business interruption insurance.**

## **SPECIAL PROPERTY COVERAGE**

**Risk Management procures special property insurance coverage under certain circumstances for mobile offices and buildings owned by state agencies. Contact Risk Management for further information regarding special property insurance. The Special Property Plan includes the following:**

**The individual agencies are to call direct if they are aware of insurance requirements and our office (CMS Risk Management Division) works with them on a policy and/or coverage to fit their needs. Normally however, we take directions from CMS Property Management Division to insure specific state exposed risks as per their lease requirements.**

**CMS Risk Management Division can insure the buildings it controls or is asked to insure provided there is monies available to pay premiums. This is not an automatic process and not all buildings are insured. Decisions to insure/not to insure are usually made in the CMS Property Division (depending on factors such as lease agreements, etc. concerning insurance required and necessary/feasible.**

**The funds to pay the premiums come from each respective agency involved in the coverage. Our office monitors and writes/renews the policies, invoicing each agency annually, with the respective agency remitting funds directly to the writing insurance broker. Any changes/adjustments on these policies during the annual policy year are processed through our CMS Risk Management Division at either the direction of the respective agency or the CMS Property Management Division.**

**Our office does have active Master Policies available for certain types of risks (example- EDP, Auto Physical Damage for state vehicles, Inland Marine, and Property Coverage). There is no centralized insurance company used for all exposures, nor is there one available.**

**There is no universal data base available to check, but our office maintains an “insurance schedule” and it has been/is actively distributed to all interested parties.**

## **SPECIAL EVENTS LIABILITY COVERAGE**

**Risk Management procures special events and host liquor liability insurance coverages. This type of insurance applies only to the incidental exposures of those who are not engaged in the business of manufacturing, distributing, selling, serving or furnishing alcoholic beverages.**

**Agencies planning special events where alcoholic beverages will be served can contact Central Management Services, Risk Management Division for further information regarding liability insurance coverage.**

## **SPECIAL LIABILITY COVERAGE**

**Risk Management purchases liability insurance in special circumstances when exposure to the state is great. Within the scope of a liability contract, the insurer agrees to pay all sums, up to the policy limits, which the insured becomes legally obligated to pay for damages to a third party.**

**Some examples of special liability insurance risks are as follows: bailee coverage or the delivery of personal property into the care of another who performs some service; when a property lease or lease/purchase agreement requires evidence of commercial insurance coverage; and auto or motorcycle racing events and spectator sports liability. Contact Central Management Services, Risk Management Division for further information regarding special liability insurance.**

## **COMMERCIAL INSURANCE PURCHASE INFORMATION**

**Central Management Services, Risk Management Division, recognizes the importance of adequate insurance protection for state agencies, boards, universities, and commissions. While most risks are covered under the state's self-insured plans, commercial insurance protection is available to provide optimum coverage for unique risk problems. Staff is trained to communicate with agencies to understand their needs and to respond to them. Call Central Management Services, Risk Management Division for assistance with your agency's insurance needs.**

## **CERTIFICATE OF COVERAGE**

**The Department of Central Management Services, Division of Risk Management, has formulated a uniform Certificate of Coverage for use in evidencing the state's self-insured programs.**

**The purpose of a certificate of coverage is to provide evidence that the state agencies, boards, universities, and commissions can satisfy various obligations-that the state can pay liability losses it has assumed under contract and pay for loss or damage to property for which the state is responsible. A certificate of coverage provides evidence of coverage under the state's insurance plan. Each certificate provides a summary of the type of insurance coverage, the insurance plan providing the coverage, effective and expiration dates, and limits of liability.**

**Central Management Services, Risk Management Division will prepare, sign, and distribute a certificate of coverage evidencing general liability, auto liability, workers' compensation, and employee fidelity and surety coverage for agencies as the need arises.**

### **COMMERCIAL INSURANCE PREMIUM PAYMENT REQUIREMENTS**

**Commercial insurance premiums shall be paid promptly to ensure uninterrupted coverage in the event of a loss. According to state insurance regulations, insurance agencies must receive payment for the entire premium due and can not accept partial payment prorated on a fiscal year basis.**

**It is very important that if commercial insurance is purchased, premium payment is made immediately. If premium is not paid, the policy is in jeopardy of being terminated for non-payment of the entire Master Policy and/or the individual agency. If termination of coverage occurs, there can be no reinstatement of coverage at a later date and the individual agency will be held responsible for their earned premium.**

## CLAIMS HANDLING INFORMATION

### Self-Insured General Liability Plan

The Department of Central Management Services' Comprehensive General Liability Claim Report is to be used to report all occurrences which may give rise to claims covered under the plan. The forms are available from agencies' Insurance Representative and Risk Management Division. The claim reports are to be submitted to Risk Management within three days of the occurrence or notification of a claim.

### Self-Insured Employee Indemnity Plan

Claim information will be handled by the Attorney General's Office. Notify the Attorney General's Office within fifteen (15) when civil proceedings are brought against a state employee. Send a copy of the notification to Risk Management Division.

### Self-Insured Motor Vehicle Liability Plan

Agency accident coordinators are responsible for promptly reporting each motor vehicle accident incurred by the agency. This report is to be submitted to Risk Management Division, Auto Liability Section within seven (7) days after the accident. Claims may be directed to the Auto Liability Unit at 1-800-442-1300, depress #4.

### Self-Insured Fidelity and Surety Bond Coverage

Agency claims shall be reported to Risk Management Division.

### Self-Insured Workers' Compensation Program

Injured employees shall notify the employer of the accident. The coordinator or immediate supervisor is then responsible for providing the employee with the proper forms to be completed. The forms shall be submitted to Risk Management no later than thirty (30) days of injury and fifteen (15) days for those employees requesting temporary total disability benefits.

### Claim Submission to Commercial Insurance Coverage

Risk Management will provide claims handling information to the state agency purchasing the commercial insurance coverage. Claims processing will be handled through Risk Management and forwarded onto the commercial insurance company or insurance agency from which the insurance is procured through. This is necessary in order to provide timely notification of losses to the insurance company and also timely processing of a claim by the insurance company. Please provide written estimates for replacement of equipment the claim is being sought on.

Any questions on claims handling should be directed to Central Management Services, Risk Management Division.

## **CONCLUSION**

**The Department of Central Management Services, Risk Management Division provides various insurance coverages for the benefit of all state agencies. This is the most efficient and least costly method to insure state property and its employees against loss. All state agencies are encouraged to take part in these programs. If there are any questions regarding this brochure or any of the coverages outlined, please contact Central Management Services, Risk Management Division.**

# **CMS**

**Department of Central Management Services  
Bureau of Benefits  
Risk Management Division  
201 E. Madison, Suite 3-C  
P.O. Box 19208  
Springfield, IL 62794-9208**

## **Rod R. Blagojevich, Governor**