

23656

BOARD OF TRUSTEES OF COMMUNITY COLLEGE DISTRICT NO. 508 County of Cook and State of Illinois

PROPERTY AND CASUALTY INSURANCE COVERAGE & THIRD PARTY ADMINISTRATION SERVICES ALL COLLEGES AND DISTRICT OFFICE (Amend Board Report 23575 Dated 12-6-2002)

THE CHANCELLOR

REPORTS

that the District needs to obtain property and casualty insurance coverage and Third Party Administration [TPA] services for controlling liability and for the processing and handling of claims; and

that Arthur J. Gallagher Risk Management Services, Inc. (Gallagher), the current approved Broker of Record for CCC has marketed and secured the following coverages which required renewal as of January 3 (Foreign Package), and January 11, 2003 (all other coverages):

Coverage/Carrier	Coverage Limit/Deductible	Annual Cost	Total Cost for Jan. 03 through 11/3/03**
Property Content /Royal*	\$148,235,975 / \$10,000-\$25,000	\$191,270.00	\$158,904.00
Buffer Liability (General, Auto Liab., Law Enforcement) /United Educators	\$900,000 per occurrence/\$250,000	\$119,422.00	\$96,851.00
Foreign Package (Gen. Liab., Auto. Liab., Worker Comp, Commercial Prop., Travel Accident/Sickness) /AIG	Limits/Deductibles By Coverage	\$77,343.00***	\$77,343.00***
Excess Liability (Umbrella)/United Educators	\$15,000,000 / \$25,000	\$122,345.00	\$99,222.00
Auto Damage/Royal	Scheduled Vehicles /\$1,000	\$20,033.00	\$16,247.00
TOTAL		\$530,413.00	\$448,567.00

[*The premium charge for Property Content includes coverage for Terrorism under the Federal Terrorism Risk Insurance Act of 2002; **this premium provides coverage through November 3, 2003 so that all of the District's coverages will now renew at the same time in November of each year. *** The Foreign Package should not be required after July 31, 2003, due to the closure of the CCC operation in Germany. Therefore the annual amount should be reduced by at least the amount of \$77,343 for next year.]

that in addition, Crawford & Co., Atlanta, GA is continuing to provide Third Party Administration services for workers compensation and general liability claims on an as needed basis, for an estimated annual cost of \$35,000.00; and

that this purchase of insurance is exempt from the District's competitive bidding process.

THE CHANCELLOR

that the Board of Trustees approves the award for the Foreign Package coverage for the period of January 3, 2003 through November 3, 2003, and the award for the other insurance coverages listed above - Property Content, Buffer Liability, Excess Liability and Auto Damage for the period of January 11, 2003 through November 3, 2003 in the total amount of \$448,567.00; and

that the Board approve Crawford & Company to continue providing Third Party Administration (TPA) services for a one-year period effective January 12, 2002 through January 11, 2003 on an as-needed basis for current and future cases, for an estimated total cost of \$35,000.00.

\$448,567.00 - Unrestricted-Liability & Protection Fund - Insurance Coverages
\$35,000.00 - (Est.) - Unrestricted Liability & Protection Fund - TPA Services

Respectfully submitted:

Wayne D. Watson
Chancellor

COLLEGE REVIEW: _____
President

REQN # _____

CENTRAL OFFICE REVIEWS & DATES SIGNED:

Purchasing Date: 1-21-03
Treasurer: [Signature]

Admin Svcs Date: 1/21/03
Academic Aff: [Signature]

HR
Date: _____

Board Office
Finance: [Signature]
21-Jan-03