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

RENEWAL OF COMMERCIAL INSURANCE POLICIES
FOR ALL COLLEGES AND DISTRICT OFFICE

THE CHANCELLOR

REPORTS

That the District requires commercial insurance coverage to insure certain risks facing the District in its operations; and

that Arthur J. Gallagher & Co. (Gallagher) was selected by a Request for Proposal process dated July 20, 2001 and approved by the Board of Trustees as the Broker of Record for City Colleges of Chicago (CCC). Lambent Risk Management Services, Inc. serves as the MBE Vendor Partner and in conjunction with Gallagher actively marketed and secured the following renewal premium quotations on behalf of CCC for commercial insurance policies for the period November 3, 2004 through November 3, 2005:

Coverage	Carrier	Limits	Deductible/Retention	Annual Premium
General Liability	United Educators	\$3,000,000/\$750,000	\$250,000/\$750,000	\$ 142,543
Excess Liability	United Educators	\$15,000,000	\$25,000	\$ 144,734
Property (RE & Contents)	Travelers	\$768,000,000	\$5,000/\$10,000/\$50,000	\$ 546,521
Boiler & Machinery	Travelers	\$50,000,000	\$10,000	\$ 31,045
Commercial Auto	Travelers	Scheduled Vehicles (54)	\$2,500/\$5,000	\$ 31,919
Excess Work Comp	Safety National	Statutory/\$1,000,000	\$350,000	\$ 46,211
Educators Legal Liability	AIG/National Union	\$15,000,000/\$5,000,000	\$200,000	\$ 88,582
Multimedia	Chubb	\$1,000,000	\$25,000	\$ 7,668
Blanket Fidelity	Travelers	\$5,000,000/\$1,000,000	\$50,000	\$ 19,202
Student Malpractice	CNA (Amer. Casualty)	\$3,000,000/\$1,000,000	\$0	\$ 47,654
Athletics	Mutual of Omaha	\$5,000,000/\$10,000,000	\$25,000	\$ 18,170
Treasurer's Bond	Liberty Mutual	\$25,000,000	\$0	\$ 21,250
TOTAL				\$1,145,499

that the above referenced coverage limits are at levels consistent with Illinois Statutory requirements and are within reasonable levels to insure the District's requirements, interests and operations; and

that this procurement represents a consolidation of commercial insurance purchases historically made in November and in January of each year and results in maximum savings to the District; and

that the proposed Carriers reflect an AM Best Rating Guide of "A", VII or better; and

that the proposed annual renewal premium represents a net decrease over the current year combined adjusted premium of \$1,303,858 to the proposed premium of \$1,145,499 (a net reduction of \$158,359 or 12.14%).

THE CHANCELLOR

RECOMMENDS

that the Board of Trustees approves the renewal of insurance policies for a period of one year with the Carriers referenced above, at the recited limits and deductible/retention levels expressed above, brokered through Arthur J. Gallagher & Co and Lambent Risk Management Services, Inc. and

that the Chancellor be authorized to issue payment to Arthur J. Gallagher & Co. in the amount of \$1,145,499 for such commercial insurance coverage .

FINANCIAL

\$1,145,499 – Unrestricted-Liability & Protection Fund

Respectfully submitted:

Wayne D. Watson
Chancellor

November 4, 2004