

27227

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

WORKERS' COMPENSATION PREMIUM AUDIT
FOR ALL COLLEGES AND DISTRICT OFFICE

THE CHANCELLOR

REPORTS

that the District procures an Excess Workers' Compensation Commercial Insurance Policy to insure certain Workers' Compensation exposures above a Retention Program of \$400,000; and

that the Board of Trustees authorized payment to Arthur J. Gallagher & Co. for Premiums due to various Carriers, inclusive of the Workers' Compensation exposure in accordance with Board Report Number 27037, adopted November 3, 2005; and

that the industry practice is to conduct an Annual Audit for the Policy Period to compare Actual Payroll \$156,678,498 against the Projected Payroll submitted at the time of application to the Carrier; and

that Safety National Casualty Corporation was approved by the Board as a part of the Gallagher proposal, conducted such an Annual Audit during CCC Fiscal Year 2006 and determined the Actual Payroll requires additional Premium for the period November 3, 2004 through November 15, 2005 in the amount of \$793.00; and

that the Board of Trustees has previously approved payment to Arthur J. Gallagher and Company in the amount of \$42,787 for the current policy period and therefore, consistent with Board rules, the additional Premium requires Board approval; and

the Office of M/WBE Contract Compliance has reviewed the above referenced audit opportunity and has determined that Arthur J. Gallagher & Co. is in compliance with our Board approved Participation Plan.

THE CHANCELLOR

RECOMMENDS

that the Board of Trustees approve the payment to Arthur J. Gallagher & Co in the amount of \$793.00 for the above referenced purpose.

FINANCIAL

\$793.00 - Unrestricted-Liability & Protection Fund (FY 06)

Respectfully submitted:

Wayne D. Watson
Chancellor

March 8, 2006- District Office - Risk Management