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ADOPTED – BOARD OF TRUSTEES
COMMUNITY COLLEGE DISTRICT NO. 508
NOVEMBER 9, 2006

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 engaged in an aggressive marketing effort to solicit competitive quotations and secured the following renewal premium quotations on behalf of CCC for commercial insurance policies for the period November 15, 2006 through November 15, 2007; and

Coverage	Carrier	Limits	Deductible/Retention	Annual Premium
General Liability	United Educators	\$3,000,000/\$750,000	\$250,000/\$750,000	\$137,219
Excess Liability	United Educators	\$15,000,000	\$25,000	149,481
Property (RE & Contents)	Affiliated FM Global	\$821,827,151	\$5,000/\$10,000/\$50,000	520,000
Boiler & Machinery	Affiliated FM Global	\$500,000,000	\$10,000	inc.
Commercial Auto (Physical Damage)	Affiliated FM Global	Scheduled Vehicles (62)	\$2,500/\$5,000	Inc.
Excess Work Comp	Safety National	Statutory/\$1,000,000	\$400,000	49,477
Educators Legal Liability (inc. D & O)	AIG/National Union	\$5,000,000	\$200,000	77,770
Multimedia	Chubb	\$1,000,000	\$25,000	7,683
Blanket Fidelity	Chubb	\$5,000,000/\$1,000,000	\$50,000/\$10,000	16,100
Student Malpractice	CNA (Amer. Casualty)	\$3,000,000/\$1,000,000	\$0	36,692
Athletics	Mutual of Omaha	\$5,000,000/\$10,000,000	\$25,000	16,183
Treasurer's Bond	Liberty Mutual	\$25,000,000	\$0	21,250
Foreign Package	AIU Insurance	\$1,000,000	\$1,000	3,760
Surety Bond (CDL Program)	Fidelity & Deposit Co.	\$20,000	\$0	200
Liquor Liability (Washburne)	Lloyds of London	\$1,000,000	\$0	3,380
CCC Foundation D & O Liability ***	Great American	\$1,000,000	\$1,000	815
TOTAL				\$1,040,010
* Boiler & Machinery Premium is included in the Property (RE & Contents) Quotation				
* Commercial Auto Physical Damage Premium is included in the Property (RE & Contents) Quotation				
*** Policy is paid from CCC Foundation resources				

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 the Office of Risk Management together with the two Brokers engaged a plan to aggressively market the renewals and solicit quotations from various Carriers known to meet the District's criteria with respect to financial stability and service; 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 increase over the current year premium of \$1,019,153 to the proposed premium of \$1,040,010 (a net increase of \$20,857 or 2.04%); and

that the Office of M/WBE Contract Compliance has reviewed the above referenced Commercial Insurance Opportunity and has determined that Arthur J. Gallagher & Co and Lambent Risk Management Services, Inc. continue to be in compliance with the Board approved Participation Plan.

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 authority be granted for payment to Arthur J. Gallagher & Co. in the amount not to exceed \$1,040,010 for such commercial insurance coverage; and

that the District seek reimbursement from the Public Building Commission of Chicago (PBCC) in the amount of \$442,000 which represents the Property Insurance portion of the above referenced comprehensive insurance procurement inasmuch as the periodic lease payments to the PBCC are inclusive of property insurance expense.

FINANCIAL

\$1,040,010 – Unrestricted-Liability & Protection Fund
\$ 442,000 – Reimbursement from the PBCC (Property Policy – RE only)
\$ 598,010 – Net Expense to the District

Respectfully submitted:
Wayne D. Watson
Chancellor

November 9, 2006