

28375
ADOPTED - BOARD OF TRUSTEES
COMMUNITY COLLEGE DISTRICT NO. 508
NOVEMBER 6, 2007

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 and approved by the Board of Trustees as the Broker of Record for City Colleges of Chicago (CCC) on June 20, 2007 (Board Report 28103). Lambent Risk Management Services, Inc. serves as the Certified MBE Vendor Partner and Risk Management & Information Systems serves as the Certified WBE; and

that coordinated by Gallagher, the firms 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, 2007 through November 15, 2008; and

Coverage	Carrier	Limits	Deductible/Retention	Annual Premium
General Liability	United Educators	\$3,000,000/\$750,000	\$250,000/\$750,000	\$109,887
Excess Liability	United Educators	\$15,000,000	\$25,000	124,481
Property (RE & Contents) *	Affiliated FM Global	\$1,031,264,015	\$5,000/\$10,000/\$50,000	480,000
Boiler & Machinery *	Affiliated FM Global	\$500,000,000	\$10,000	inc.
Commercial Auto (Physical Damage) **	Affiliated FM Global	Scheduled Vehicles (65)	\$2,500/\$5,000	inc.
Excess Work Comp	Safety National	Statutory/\$1,000,000	\$400,000	67,797
Educators Legal Liability (inc. D & O)	AIG/National Union	\$5,000,000	\$200,000	58,500
Multimedia	Chubb	\$1,000,000	\$25,000	6,915
Blanket Fidelity	Chubb	\$5,000,000/\$1,000,000	\$50,000/\$10,000	14,029
Student Malpractice	CNA (Amer. Casualty)	\$3,000,000/\$1,000,000	\$0	28,700
Athletics	AIG Life	\$5,000,000/\$10,000,000	\$25,000	18,160
Treasurer's Bond	Liberty Mutual	\$25,000,000	\$0	16,575
Foreign Package	AIU Insurance	\$1,000,000	\$1,000	3,945
Student Accident Health ***	Delos	\$10,000	\$0	38,325
Surety Bond (CDL Program)	Fidelity & Deposit Co.	\$20,000	\$0	est. 200
Liquor Liability (Washburne)	Lloyds of London	\$1,000,000	\$0	est. 3,380
CCC Foundation D & O Liability ****	Great American	\$1,000,000	\$1,000	est. 850
ARTHUR J. GALLAGHER & CO.	Fee for service			103,700
TOTAL				\$1,074,891
* Boiler & Machinery Premium is included in the Property (RE & Contents) Quotation				
** Commercial Auto Physical Damage Premium is included in the Property (RE & Contents) Quotation				
*** Denotes new Policy for the District				
**** 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 its vendor partners 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-", VIII or better; and

that the proposed annual renewal premium represents a net decrease (without inclusion of the addition of the Student Accident Health Policy) over the current year premium of \$1,095,152 to the proposed premium of \$1,074,891 (a net decrease of \$58,586 or 5.34%); and

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that the Office of M/WBE Contract Compliance has reviewed the above referenced Commercial Insurance Opportunity and has determined that Arthur J. Gallagher & Co, is in full compliance with the Board approved Participation Plan utilizing Lambent Risk Management Services, Inc. as the Certified MBE for 28% (\$29,036) and Risk Management & Information Systems for 7% (\$7,259).

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, Lambent Risk Management Services, Inc. and Risk Management & Information Systems serves as the Certified WBE; and

that authority be granted for payment to Arthur J. Gallagher & Co. in the amount not to exceed \$971,191 for such commercial insurance coverage and for payment of the Annual Fee in the amount of \$103,700 as previously authorized under Board Report 28103 as referenced above.

FINANCIAL \$480,000 – Liability & Protection Fund – 05001-0022501-00078-01000-0000000-567100
\$ 67,797 – Liability & Protection Fund – 05001-0022501-00086-01000-0000000-522100
\$422,544 – Liability & Protection Fund – 05001-0022501-00086-01000-0000000-565100
\$103,700 – Liability & Protection Fund – 05001-0022501-00086-01000-0000000-532100
\$ 850 - CCC Foundation

Respectfully submitted:
Wayne D. Watson
Chancellor

November 6, 2007