

**ADOPTED – BOARD OF TRUSTEES COMMUNITY
COLLEGE DISTRICT NO. 508
NOVEMBER 2, 2009**

**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, 2009 through November 15, 2010; and

CITY COLLEGES OF CHICAGO COMMERCIAL INSURANCE PORTFOLIO RENEWAL				
Coverage	Carrier	Limits	Deductible/Retention	Annual Premium November 2009
General Liability	United Educators	\$3,000,000/\$750,000	\$250,000/\$750,000	\$122,483
Excess Liability	United Educators	\$15,000,000	\$25,000	141,406
Property (RE & Contents) *	Affiliated FM Global	\$1,070,790,814	\$5,000/\$10,000/\$50,000	377,500
Boiler & Machinery *	Affiliated FM Global	\$500,000,000	\$10,000	inc.
Commercial Auto (Physical Damage) **	Affiliated FM Global	Scheduled Vehicles (80)	\$2,500/\$5,000	Inc.
Excess Work Comp ***	Safety National	Statutory/\$1,000,000	\$425,000	68,542
Educators Legal Liability (inc. D & O)	Illinois Nat'l Ins Co. (AIG)	\$5,000,000	\$200,000/\$150,000	53,460
Multimedia	Chubb	\$1,000,000	\$25,000	6,223
Blanket Fidelity	Chubb	\$5,000,000/\$1,000,000	\$25,000/\$10,000	13,500
Student Malpractice	CNA (Amer. Casualty)	\$3,000,000/\$1,000,000	\$0	24,184
Athletics	Mutual of Omaha	\$5,000,000/\$10,000,000	\$25,000	20,133
Treasurer's Bond	Liberty Mutual	\$25,000,000	\$0	18,250
Foreign Package	ACE/American Ins. Co.	\$1,000,000	\$1,000	4,400
Student Accident Health ****	US Fire (Crum & Foster)	\$10,000	\$0	36,135
Surety Bond (CDL Program)	Fidelity & Deposit Co.	\$20,000	\$0	est. ***** 225
Liquor Liability (Washburne)	Lloyds of London	\$1,000,000	\$0	est. ***** 3,290
CCC Foundation D & O Liability *****	Great American	\$1,000,000	\$1,000	est. ***** 875
Subtotal				890,606
ARTHUR J. GALLAGHER & CO.	Fee for Service			114,400
TOTAL				\$1,005,006
* 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 change in Deductible from \$400,000 to \$425,0000				
**** Denotes change in Carrier from Delos Insurance to United States Fire Insurance Company (Crum & Foster)				
***** Policy is paid from CCC Foundation resources				
***** Denotes Premium Estimate due to Expiration dates beyond November 15, 2009 Renewal Date				

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 of \$77,739 over the current year premium of \$968,345 to the proposed premium of \$890,606; 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. is in full compliance with the Board approved Participation Plan utilizing Lambent Risk Management Services, Inc. as the Certified MBE for 28% (\$32,032) and Risk Management & Information Systems for 7% (\$8,008).

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; and

that authority be granted for payment to Arthur J. Gallagher & Co. in the amount not to exceed \$890,606 for such commercial insurance coverage and for payment of the Annual Fee in the amount of \$114,400 as previously authorized under Board Report 28103 as referenced above.

FINANCIAL

\$ 68,542	– Liability & Protection Fund – 05001-0025010-00086-01000-522100
\$ 358,837	– Liability & Protection Fund – 05001-0025010-00086-01000-565100
\$ 377,500	– Liability & Protection Fund – 05001-0025010-00078-01000-567100
\$ 114,400	– Liability & Protection Fund – 05001-0025010-00086-01000-532100
\$ 80,452	– Liability & Protection Fund – 05001-0025010-00039-01000-532100
\$ 4,400	– Liability & Protection Fund – 05001-0025010-00029-01000-565100
\$ 875	– CCC Foundation
\$1,005,006	- TOTAL

Respectfully submitted,

Deidra J. Lewis
Interim Chancellor

November 2, 2009 – Human Resources/Risk Management