that the Board of Trustees authorizes the Chair to amend the Educators Legal Liability Commercial Insurance Policy underwritten by Illinois National Insurance Company (AIG) brokered through Marsh USA, Inc. for the period from July 7, 2016 through November 15, 2016, at a total cost not to exceed $10,358.

VENDORS: Marsh, USA, Inc. (Broker)
540 West Madison Street
Suite 1200
Chicago, Illinois 60661

USER: District Wide

ORIGINAL/RENEWAL TERMS (MARSH, USA):
The original term of the underlying Agreement with Marsh USA, Inc. commenced on July 1, 2012 and expired June 30, 2015. Subsequently, the underlying Agreement was extended for the period from July 1, 2015 through June 30, 2016 under Board Report #32727 adopted by the Board of Trustees on July 9, 2015.

POLICY TERM:
The term of the Educators Legal Liability Commercial Insurance Policy began on November 15, 2015 and will end on November 15, 2016.

SCOPE OF SERVICES:
Marsh USA, Inc. facilitated the solicitation of competitive insurance premium quotations and the placement of various commercial insurance policies to insure against certain risks facing the District in its operations and the delivery of risk management administrative services designed to enhance the Office of Risk Management operations.

VENDOR SELECTION CRITERIA:
Marsh USA, Inc. was selected under a Request for Proposal (RFP) #SH1202 issued February 10, 2012. Eighteen (18) companies were contacted. Six (6) firms responded to the RFP on March 7, 2012. All
qualifications were reviewed, evaluated and ranked by staff which included the Offices of Finance, Business Enterprise, Institutional Advancement, Risk Management, Administrative and Procurement Services and MBE/WBE Contract Compliance. Based on the evaluation scoring, staff recommended the acceptance of the Marsh USA, Inc. proposal under Board Report #31474, adopted on June 7, 2012.

The Office of Risk Management, together with Marsh USA, Inc. and the MBE/WBE partners, engaged in a plan to aggressively market the District’s Insurance Portfolio and solicit competitive quotations from various insurance carriers known to meet the District’s criteria with respect to financial stability and service resulting in the following premium quotations for the period from November 15, 2015 through November 15, 2016. In each instance, including the Educators Legal Liability Carrier, AIG, the recommended Insurance Carrier submitted the lowest and most competitive renewal premium quotation.

**BENEFIT TO CITY COLLEGES OF CHICAGO:**
The District requires commercial insurance coverage to protect the District against losses that could have a significant impact on District operations and its financial condition. The underlying policy placement with AIG for the Educators Legal Liability Policy brokered by Marsh USA, Inc. commenced on November 15, 2015 and reflects a Directors’ & Officer’s sublimit of $5,000,000. Based upon a survey conducted by Marsh, USA, of local and national higher education institutions, the results revealed Best Practice Policy Limits at an average of $10,000,000. Therefore, to ensure the integrity of District assets and to fulfill the institution’s responsibility to Board Trustees, the increase in the Policy sub-limit is prudent and appropriate. There is no change to the educator’s legal liability or attorney liability portion of the policy.

The coverage limits referenced above are at levels consistent with Illinois statutory requirements and are within reasonable levels to insure the District’s requirements, interests and operations. The proposed Insurance Carriers reflect an AM Best Rating Guide of “A-”, VIII or better.

**MBE/WBE COMPLIANCE:**
The Office of MBE/WBE Contract Compliance has reviewed the proposed renewal agreement and Marsh USA, Inc. subcontracting remains in compliance with the Board Approved Participation Plan.

<table>
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<tr>
<th>Vendor</th>
<th>MBE or WBE</th>
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<th>Participation</th>
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<td>205 W. Randolph, Ste. 1200</td>
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<td>Carrington Risk Consultants, LLC</td>
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<td>123 Washington St. Ste. 326</td>
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<td></td>
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<tr>
<td>Oswego, IL 60543</td>
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**GENERAL CONDITIONS:**
Inspector General – It shall be the duty of each party to the agreement to cooperate with the Inspector General for City Colleges of Chicago in any investigation conducted pursuant to the Inspector General’s authority under Article 2, Section 2.7.4(b) of the Board Bylaws.
Ethics – It shall be the duty of each party to the agreement to comply with the applicable provisions of the Board’s Ethics Policy adopted January 7, 1993, and as amended by the Board.

Contingent Liability – Pursuant to Section 7- 14 of the Illinois Public Community Act all agreements authorized herein shall contain a clause that any expenditure beyond the current the current fiscal year is subject to appropriation in the subsequent fiscal year.

FINANCIAL:
Total: $10,358
Charge To: Department of Risk Management
Source of Funds: Tort Fund
FY16 – FY17: 560000-05001-0022502-80000

Respectfully submitted,

Cheryl L. Hyman
Chancellor

July 7, 2016 - Office of Risk Management