

**BOARD OF TRUSTEES OF COMMUNITY COLLEGE DISTRICT NO. 508
COUNTY OF COOK AND STATE OF ILLINOIS**

**PLACEMENT OF COMMERCIAL INSURANCE POLICIES
MESIROW INSURANCE SERVICES, INC. AND VARIOUS INSURANCE CARRIERS
OFFICE OF RISK MANAGEMENT
DISTRICT WIDE**

THE CHANCELLOR RECOMMENDS:

that the Board of Trustees authorizes the Chair, upon final approval of the General Counsel of the Policy forms, to procure commercial insurance policies brokered through Mesirow Insurance Services, Inc. at the recited limits and deductible/retention levels expressed below, for the period from November 15, 2019 through November 15, 2020, at a total cost not to exceed \$1,330,052.

VENDORS: Mesirow Insurance Services, Inc. (Broker) and Various Insurance Carriers (see next page)
353 N. Clark Street
Chicago, Illinois 60654

USER: District Wide

ORIGINAL TERM (Mesirow Insurance Services, Inc.):

The term of the underlying Agreement with Mesirow Insurance Services, Inc. commenced on July 1, 2016 and expired June 30, 2019 pursuant to Board Report #33003 adopted by the Board of Trustees on July 7, 2016. In accordance with provisions of the original Request for Proposal, the District elected to extend the underlying Agreement for the period of July 1, 2019 through June 30, 2020 (Board Report # 33684).

POLICY PLACEMENTS (INSURANCE CARRIERS):

The current placement for the commercial insurance policies brokered by Mesirow Insurance Services, Inc. commenced on November 15, 2018 and shall expire on November 15, 2019.

SCOPE OF SERVICES:

Mesirow Insurance Services, Inc. facilitates 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. The insurance carriers will provide various commercial insurance policies to the District as listed below.

VENDOR SELECTION CRITERIA:

Mesirow Insurance Services, Inc. was selected under a Request for Proposal #SJ 1601 which was publicly advertised on April 14, 2016. Sixteen (16) companies were contacted. Six (6) firms responded to the RFP. 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 M/WBE Contract Compliance. Based on the evaluation scoring, staff recommended the acceptance of the Mesirow Insurance Services, Inc. Proposal under Board Report #33003, adopted on July 7, 2016.

The Office of Risk Management, together with Mesirow Insurance Services, 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, 2019 through November 15, 2020. In each instance, the recommended Insurance Carrier submitted the lowest and most competitive renewal premium quotation.

CITY COLLEGES OF CHICAGO COMMERCIAL INSURANCE PORTFOLIO RENEWAL				
Coverage	Carrier	Limits	Deductible/Retention	Annual Premium November 2019
General Liability	United Educators	\$1,000,000 Occurrence \$3,000,000 Aggregate	\$250,000	\$163,176
Excess Liability	United Educators	\$15,000,000	\$1,000,000	\$183,135
Property (RE, Contents, Boiler & Machinery)	Affiliated FM	\$500,000,000	\$25,000	\$508,495
Commercial Auto (Physical Damage) (1)	Starr	Scheduled Vehicles (71)	\$5,000	\$60,074
Environmental (2)	ACE	\$5,000,000	\$25,000	n/a
Builders Risk Policy (3)	XL Catlin (\$43,485)	\$50,000,000	\$5,000/\$25,000	n/a
Excess Work Comp	Safety National	Statutory/\$1,000,000	\$600,000	\$72,718
Work Comp Premium Audit (4)	Safety National	n/a	n/a	\$2,500
Educators Legal Liability (inc. D & O) (5)	United Educators	D & O \$10,000,000 Employment \$5,000,000	\$250,000 \$250,000	\$152,132
Fiduciary Liability	Hudson Insurance Co.	\$5,000,000	\$25,000	\$18,803
Employed Lawyers	Chubb	\$1,000,000	\$10,000	\$5,728
Blanket Fidelity	Hartford	\$5,000,000	\$25,000	\$15,884
Treasurer's Bond	Liberty Mutual	\$25,000,000	\$0	\$13,750
Cyber & Multimedia (6)	Beazley (Lloyds)	\$5,000,000	\$50,000	\$73,666
Student Malpractice	CNA	\$1,000,000 Occurrence \$3,000,000 Aggregate	\$0	\$23,919
Athletics	AIG	\$5,000,000 Occurrence \$10,000,000 Aggregate	\$25,000	\$28,772
Student Accident Health	CCC Self-Insured Plan	\$10,000	\$0	n/a
Foreign Package	ACE/American Ins. Co.	\$1,000,000	\$1,000	\$2,500
Surety Bond (CDL Program) (7)	Fidelity & Deposit Co.	\$40,000	\$0	\$300
Liquor Liability (Washburne) (7)	Lloyds of London	\$1,000,000	\$0	\$2,500
CCC Foundation D & O Liability (7 & 8)	Travelers	\$2,000,000	\$0	\$2,000
TOTAL				\$1,330,052
Less Credits held by Mesirow Insurance Services, Inc.				\$2,519
Net Due at Renewal				\$1,327,533
(1) Denotes change in Carrier				
(2) Applied to Capital Projects at OHC & DC				
(3) Applied to Capital Projects at OHC & DC				
(4) Denotes Estimate due to Audit occurring in January 2020				
(5) D & O Limit increased by Board action July 7, 2016 (33004)				
(6) Policy Limits increased from \$1mil. to \$5mil. by Board Action April 6, 2017 (33190)				
(7) Denotes Premium Estimate due to Expiration date beyond November 15, 2019 Renewal date				
(8) Policy is paid from CCC Foundation resources & reflects an increase in Policy Limit (from \$1mil.)				
*** The District has earned a 3% Premium Credit extended by United Educators in recognition of various proactive CCC Risk Management initiatives				
*** The District expects a Dividend from United Educators (Reciprocal Retention Group) in the amount of \$15,137.46 to be paid post November 15, 2019				
*** Board Report 33003 of July 7, 2016 previously authorized Fee for Service to Mesirow Insurance Services, Inc. in the amount of \$75,000 annually.				

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 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. The proposed annual premium of

\$1,330,052 represents a net increase of \$81,284 as compared to the current year premium of \$1,248,768 (as adjusted to include Richard J. Daley College Advanced Manufacturing Center and Olive-Harvey College TDL Bldg. mid-policy additions). The net increase (6.50%) is primarily attributable to (1) the Higher Education market place associated with increased exposures related to Harassment Matters, (2) new District structures, (3) overall increased Property Values and (4) increase in Policy Limits over the previous Renewal. Staff together with the Broker pursued an aggressive market strategy, productive Premium negotiations with various Carriers, a thoughtful review of Policy Limits as well as Retention levels and an assessment of the Institution's risk appetite.

MBE/WBE COMPLIANCE:

The Office of Procurement Services has reviewed the proposed renewal agreement and Mesirow Insurance Services, Inc. subcontracting remains in compliance with the Board Approved Participation Plan.

Vendor	MBE or WBE	%	Participation	Certifying Agency
CS Insurance Strategies, Inc. 542 S. Dearborn Street - 8th Floor Chicago, IL 60605	MBE	25	Direct	City of Chicago
EagleOne CMS 80 Burr Ridge Pkwy – Suite 121 Burr Ridge, IL 60527	WBE	7	Direct	City of Chicago

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: \$1,330,052

Charge To: Office of the General Counsel and Risk Management

Source of Funds: Liability, Protection and Settlement Fund

FY20 530000-05001-0022502-80000 (Broker)
560000-05001-0022502-80000 (Policies)

Liability & Protection Fund **\$ 1,328,052**
CCC Foundation **\$ 2,000**

Respectfully submitted,

Juan Salgado
Chancellor

November 7, 2019 - Office of Risk Management