

34103

**ADOPTED-BOARD OF TRUSTEES
COMMUNITY COLLEGE DISTRICT NO. 508
NOVEMBER 5, 2020**

**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, 2020 through November 14, 2021, at a total cost not to exceed \$1,524,109.

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

USER: District Wide

BROKER TERM (Mesirow Insurance Services, Inc.):

Per Board Report #34013, adopted on July 2, 2020, the term of the underlying Agreement with Mesirow Insurance Services, Inc. commenced July 1, 2020 and shall end on June 30, 2021.

POLICY PLACEMENTS TERM (Various Insurance Carriers):

The current placement for the commercial insurance policies brokered by Mesirow Insurance Services, Inc. shall begin on November 15, 2020 and shall end on November 14, 2021.

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.

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. 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.

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 MBE/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, 2020 through November 15, 2021. 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	\$182,262
Excess Liability	United Educators	\$15,000,000	\$1,000,000	\$226,670
Property (RE, Contents, Boiler & Machinery)	Affiliated FM	\$500,000,000	\$25,000	\$615,935
Commercial Auto (Physical Damage)	RLI	Scheduled Vehicles (70)	\$5,000	\$61,945
Environmental (1)	ACE	\$5,000,000	\$25,000	n/a
Builders Risk Policy (2)	XL Catlin (\$43,485)	\$50,000,000	\$5,000/\$25,000	n/a
Excess Work Comp	Safety National	Statutory/\$1,000,000	\$600,000	\$78,842
Work Comp Premium Audit (3)	Safety National	n/a	n/a	\$0
Educators Legal Liability (inc. D & O) (4)	United Educators	D & O \$10,000,000 Employment \$5,000,000	\$250,000 \$250,000	\$171,442

Fiduciary Liability	Hudson Insurance Co.	\$5,000,000	\$25,000	\$18,356
Employed Lawyers	Chubb	\$1,000,000	\$10,000	\$5,728
Blanket Fidelity	Hartford	\$5,000,000	\$25,000	\$15,825
Treasurer's Bond	Liberty Mutual	\$25,000,000	\$0	\$13,750
Cyber & Multimedia (5)	Beazley (Lloyds)	\$5,000,000	\$50,000	\$85,190
Student Malpractice	CNA	\$1,000,000 Occurrence \$3,000,000 Aggregate	\$0	\$23,134
Athletics	AIG	\$5,000,000 Occurrence \$10,000,000 Aggregate	\$25,000	\$20,140
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) (6)	Fidelity & Deposit Co.	\$40,000	\$0	\$290
Liquor Liability (Washburne) (7)	n/a	\$1,000,000	\$0	n/a
CCC Foundation D & O Liability (6 & 8)	Travelers	\$2,000,000	\$0	\$2,100
TOTAL				\$1,524,109
Less Credits held by Mesirow Insurance Services, Inc.				\$132
Net Due at Renewal				\$1,523,977
(1) Applied to Capital Projects at OHC & DC				
(2) Applied to Capital Projects at OHC & DC				
(3) Denotes Estimate due to Audit occurring in January 2021				
(4) D & O Limit increased by Board action July 7, 2016 (33004)				
(5) Policy Limits increased from \$1mil.to \$5mil. by Board Action April 6,2017 (33190)				
(6) Denotes Premium Estimate due to Expiration date beyond November 15, 2020 Renewal date				
(7) Policy unnecessary this cycle due to curtailing of Washburne Culinary Institute retail operations				
(8) Policy is paid from CCC Foundation resources & reflects an increase in Policy Limit (from \$1mil.)				
*** The District has earned a 2% Premium Credit extended by United Educators in recognition of various proactive CCC Risk Management initiatives				
*** Board Report 34013 of July 2, 2020 previously authorized Fee for Service to Mesirow Insurance Services, Inc. in the amount of \$75,000 annually.				

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.

<u>Vendor</u>	<u>MBE or WBE</u>	<u>%</u>	<u>Participation</u>	<u>Certifying Agency</u>
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: \$1,524,209

Charge To: Office of the General Counsel - Risk Management

Source of Funds: Liability, Protection and Settlement Fund

FY21: 530000-05001-0022502-80000

560000-05001-0022502-80000

Unrestricted Fund

Liability & Protection Fund – 05001-0022502-565100-01000 \$ 1,522,009

CCC Foundation \$ 2,100

Respectfully submitted,

Juan Salgado
Chancellor

November 5, 2020 - Office of Risk Management