

**25095**

BOARD OF TRUSTEES OF COMMUNITY COLLEGE DISTRICT NO. 508  
County of Cook and State of Illinois

JAN - 8 2004

PROPERTY INSURANCE

COUNTY OF COOK  
AND STATE OF ILLINOIS

THE CHANCELLOR

REPORTS

That the District requires commercial insurance coverage to insure City Colleges of Chicago (CCC) properties under lease from the Public Building Commission of Chicago (PBC) against certain risks; and

that currently the Public Building Commission of Chicago procures a commercial insurance policy on behalf of the District, which cost is incorporated within the periodic lease payments paid to the PBC by the District;

that the PBC solicited insurance proposals for this risk exposure from its Broker, MARSH;

that Arthur J. Gallagher & Co. (Gallagher) was selected by a Request for Proposal process dated July 20, 2001 and approved by the Board of Trustees as the Broker of Record for City Colleges of Chicago (CCC) on September 13, 2001 through January 3, 2004. Gallagher has marketed and secured the following Property Insurance quotations on behalf of CCC for the period January 1, 2004 through January 1, 2005:

Coverage	Carrier	Limits	Deductible/Retention	Annual Premium
Property	Travelers	\$609,050,341	\$10,000	\$730,000
Contents	Travelers	\$147,183,263	\$10,000	included
Boiler & Machinery	Travelers	\$50,000,000	\$10,000	\$39,144
Auto Physical Damage	Travelers	Scheduled vehicles (50)	\$2,500/\$5,000	\$30,000
Broad Form Flood	Travelers	\$10,000,000	\$50,000	included
Earthquake	Travelers	\$10,000,000	\$50,000	included
Certified & Non Certified Terrorism	Travelers	Policy Limits	\$10,000	included
<b>TOTAL</b>				<b>\$799,144</b>

that the above referenced coverage limits are at levels consistent with best industry practices and are within reasonable levels to insure the District's requirements, interests and operations and those interests of the PBC; and

that the proposed Carrier reflects an AM Best Rating Guide of "A++", XV; and

that the proposed annual premium represents a 31.62% net decrease of \$369,530 over the current year adjusted premium of \$1,168,374 to the proposed premium of \$799,144.

THE CHANCELLOR

RECOMMENDS

that the Board of Trustees approves the procurement 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.; and

that the Chancellor be authorized to issue payment to Arthur J. Gallagher & Co. in the amount of \$799,144 for such commercial insurance coverage.

FINANCIAL

\$769,144 – Reimbursement from Public Building Commission of Chicago  
\$30,000 – Unrestricted-Liability & Protection Fund

Respectfully submitted:

Wayne D. Watson  
Chancellor

January 8, 2004