

ACTION ITEM

Governing Board Agenda

Meeting Date: October 27, 2009

<u>Item Number</u>	<u>Item Title</u>	<u>Responsible Agents</u>
VI.B.4	Approval of 2009-10 District Property and Casualty Insurance Program Renewal	Ms. Debra Thompson

Recommendation

It is recommended that the Governing Board approve the renewal of our property and casualty insurance policies for all lines per the attached schedule for the period of November 1, 2009 to November 1, 2010.

Justification

Our property and casualty insurance program renews on November 1 of every year. Last year we experienced increases in our insurance premiums resulting from purchasing additional liability limits and from increased total insured property values. For the 2009/2010 renewal, premiums have decreased overall by 8.87%. These decreases in premiums are due to an extensive marketing of our insurance program to several new insurers that specialize in higher education.

The District Risk Manager submitted a comprehensive insurance submission to our insurance broker, Arthur J. Gallagher & Co., with instructions to approach our existing insurance carriers for renewal proposals and to approach select new markets for viable options for our current insurance structure. Notable accomplishments that were presented to the insurers include the Maricopa Integrated Risk Assessment (MIRA) project, our online defensive driving training program, motor vehicle record reviews, continued successful resolution of employment claims, training programs on legal, risk management, and human resource issues, and the continued implementation of loss prevention programs from our property insurer. These accomplishments have attracted new financially sound insurers.

The continued implementation of the various risk management programs throughout the District have helped to reduce and control the increases in insurance premiums that the District would have been forced to pay without these risk management programs in place. Overall premiums will decline by \$169,105.

Attached is a premium comparison schedule for our property and casualty program for 2008/2009 and 2009/2010. The shaded section represents the recommended renewals.

Funding	Approvals/Certifications
<p><u>Source:</u></p> <p><u>Account Identification:</u> 110-701-180200</p>	<p>Chancellor _____</p> <p>Academic & Student Affairs _____</p> <p>Business Services _____</p> <p>Human Resources _____ ITS _____</p> <p>Res. Dev. & Com. Relations _____</p> <p>College President _____</p>

COVERAGE TYPE	2008-2009 PREMIUM	RECOMMENDED 2009-2010 INSURER	RECOMMENDED 2009-2010 PREMIUM
Property	\$853,542	FM Global	\$690,432
Crime	\$11,481	Travelers	\$13,586
General Liability	\$80,292	Princeton Excess Surplus Lines	\$306,762
Educators Legal Liability	\$303,877	<i>Included w/General Liability</i>	
Auto Liability	\$143,448	<i>Included w/General Liability</i>	
Allied Health Professional Liability (Student & Faculty)	<i>Included w/General Liability</i>	Great Divide Insurance Co.	\$81,581
Excess Liability (\$9M excess of \$1M)	<i>n/a</i>	Princeton Excess Surplus Lines	\$259,161
Excess Liability	\$281,736 (\$25M)	Axis Surplus Ins. (\$15M)	\$201,240
Excess Liability (\$25M excess \$25M incl. ELL)	\$121,260	Allied World	\$104,232
Excess Liability (\$25M excess \$50M incl. ELL)	\$72,962	Great American	\$50,000
Foreign Package Policy	\$4,719	Ace	\$4,719
Aircraft Liability	\$21,000	Old Republic	\$21,000
Aircraft Hull (Physical Damage)	\$20,189	Catlin	\$12,000
<i>Total Insurance Premiums</i>	\$1,914,506		\$1,744,713