

**MEETING OF THE BUSINESS AFFAIRS COMMITTEE
OF THE BOARD OF TRUSTEES
Community College of Philadelphia
Wednesday, May 23, 2012 – 9:00 A.M.**

TO: Business Affairs Committee of the Board of Trustees
FROM: Thomas R. Hawk *TRAH*
DATE: May 17, 2012
SUBJECT: **Committee Meeting**

A meeting of the Business Affairs Committee of the Board of Trustees will be held on **Wednesday, May 23, 2012 at 9:00 A.M.** in the College's **Isadore A. Shrager Board Room, M2-1.**

AGENDA – PUBLIC SESSION

(1) 2011-12 Budget Update (Information Item):

Dr. Hawk and Mr. Spiewak will provide an overview of the College's budget status for fiscal year 2011-12. The implications of key factors currently impacting on the budget will be discussed.

(2) 2012-13 College Budget (Action Item):

Attached separately to the agenda is the proposed 2012-13 budget. The 2012-13 proposed budget plan maintains the cost-containment strategies that were put in place for the 2011-12 year and introduces additional strategies to control expenditures. The expense-reduction strategies have been made in a way that will not impact on the College's ability to make progress on the most important strategic priorities in the areas of student success, enrollment management, technology enhancement, facility development, and strengthened private fund raising capacity.

The 2012-13 budget plan includes the 6.5 new full-time faculty required to meet contractual obligations. There is a net reduction in budgeted administrative positions of 8.0 and net reduction in classified/confidential positions of 10.0. The expenditure plan totals \$141,450,793. The recommended educational and general budget operating expense (including student activities and auxiliaries) is \$127,292,365, and the capital budget expense is \$14,158,428. The budget includes a planned use of the prior years' carryover funds in the amount of \$1,950,173. Staff will review the 2012-13 budget plan and ask for Committee recommendation of the proposed budget to the full Board.

(3) 2012-13 Property and Casualty Insurance Renewal Program (Action Item):

The College's insurance program is reviewed annually prior to the July 1 renewal. The 2012-13 renewal process was undertaken on behalf of the College by Willis, the College's insurance broker of record. (At the March 1, 2012 Board meeting, the Board authorized the College to enter into a three year contract with Willis of PA, commencing July 1, 2012 with an annual fee of \$50,000 in each of the three contract years.) Willis is one of the largest providers of brokerage services to higher education with a nationally-recognized expertise in higher education risk management issues. Willis does not operate on a commission basis, but is retained for a flat fee to market the College's insurance programs. Willis also provides significant assistance to the College with risk management issues including participation in the College's Safety Committee, contract review, claims management, and risk prevention and control services.

The College maintains property and casualty insurance coverages in the following areas: General Liability, Umbrella (Excess Liability), Workers' Compensation, Property, Educators Legal Liability, Automobile, Student Medical Malpractice, Crime, International Liability, and Cyber Insurance.

Mr. Spiewak will provide an overview of the College's insurance renewal program for fiscal year 2012-13. The expiring premiums totaled \$881,879. The renewal premiums total \$853,567. The broker fee for Willis is \$50,000. See page 10 for a comparison of 2011-12 and recommended 2012-13 insurance providers and premium costs.

Attachment A provides details on the policy renewal process and the recommendations which are being made with respect to insurance renewals for the 2012-13 year. Attachment B provides a summary schedule showing coverage information for each of the policies.

Committee recommendation to the full Board of the 2012-13 insurance program with a total cost, including broker fee, of \$853,567 is recommended.

(4) Change Order – Refacing of Winnet and Student Athletic Center Buildings to Complement New Pavilion and Bonnell Additions - \$127,900 (Action Item):

The design of the Pavilion and the new addition to the Bonnell Building have introduced a highly favored metal clad façade. In contrast, the metal portions of the facades of the Winnet and Gymnasium Buildings, erected in 1992, are badly deteriorated and contrast poorly with the visual impact of the new construction. The cladding used for both the Pavilion and Bonnell facade is available and can be applied to the Gymnasium and Student Life Buildings in conjunction with a planned painting of frames and mullions. This step will also prepare a backdrop for the future signage utilizing complementary lettering. The metal-cladding effort will involve removing existing caulking, stripping edges of existing panels

in order to properly apply the new Kynar 500 finish panels, and re-caulking with a material and color that will match the new panels. This effort will complete the Pavilion Construction Project. The cost of the project will be \$127,900. Staff request Committee recommendation to the full Board for approval of the change order.

(5) Construction Projects Update (Information Item):

Mr. Bixby will summarize progress on the Bonnell Ground Floor Project.

(6) Next Meeting Date

The next regularly scheduled meeting of the Committee will occur on Monday, June 20, 2012 at 9:00 A.M.

TRH/lm

Attachments

c: Ms. Varsovia Fernandez
Dr. Stephen M. Curtis
Ms. Jody Bauer
Mr. Gary Bixby
Dr. Judith Gay
Dr. Samuel Hirsch
Mr. James P. Spiewak

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ATTACHMENT A

**COMMUNITY COLLEGE OF PHILADELPHIA
OVERVIEW OF 2012-13 INSURANCE
PROGRAM RENEWAL**

INSURANCE PROGRAM RENEWAL 2012-13

Introduction

The College insurance program is reviewed annually prior to the July 1 renewal. During the renewal strategy meeting held on March 8, 2012, it was agreed that the best strategy would be for Willis to conduct a marketing of the College's insurance programs with the exception of workers compensation (this coverage was moved to Lackawanna last year) and cyber insurance (initial year with Beazley) with the goal of stabilizing premiums while maintaining comprehensive coverage. This strategy was selected due to a slight hardening of the insurance market, particularly the re-insurance market, and an attempt to continue successful partnerships with our incumbent carriers. Willis marketed our portfolio to twelve different carriers for our lines of coverage.

General Liability

The College's general liability coverage has been with United Educators for eleven years. They are generally acknowledged to have the best GL form available concerning comprehensive coverage in the higher education market. In addition to UE, Willis also approached Travelers, CNA and WRM. United Educators offered a renewal premium of \$115,454 which is \$6,098 higher than the expiring rate (6.0%) with no change to the deductibles (\$50,000 each occurrence; \$200,000 annual aggregate). This increase was driven by a combination of a rate increase (2.5%) and a change to the rating methodology utilized by UE (focus changed from FTE count to budget). The College was again granted an automatic 4% premium rate credit based upon certain risk management initiatives that were undertaken during the year. Furthermore, the College is entitled to a \$19,753 dividend from United Educators if at least one coverage line (GL or Umbrella) is renewed. United Educators is organized as a reciprocal risk retention group – owned by its members like CCP; this is the

second consecutive year that the College will have received a dividend. UE also offered a reduced deductible plan of \$25,000 per incident with a \$100,000 annual maximum. The annual cost for this reduced deductible plan is \$140,237. WRM offered an indication to quote but ultimately did not provide the required information to effectively compare policies. Travelers was interested but did not meet the deadline established for providing a formal quotation. CNA declined to quote due to their inability to offer competitive pricing.

Umbrella

The College's umbrella liability coverage (\$25 million for any one loss) has also been with United Educators for eleven years. They are generally acknowledged to have the best umbrella/excess form available concerning comprehensive coverage in the higher education market. In addition to UE, Willis approached the same carriers as it did for the general liability coverage. United Educators offered a renewal rate of \$82,076 that is \$3,954 or 5% above the expiring premium. This policy also sits on top of the \$1 million coverage for student medical malpractice insurance. It also sits over the general liability, automobile liability, employers' liability and foreign liability insurance. As with the general liability policy, the College was granted a 4 percent premium reduction based upon certain risk management initiatives that were undertaken during the year. WRM offered an indication to quote but ultimately did not provide the required information to effectively compare policies. Travelers was interested but did not meet the deadline established for providing a formal quotation. CNA declined to quote due to their inability to offer competitive pricing. UE also offered options at additional limits of coverage follows: \$20 million at a premium of \$76,627 and \$30 million at a premium of \$88,667.

Workers' Compensation

Since a comprehensive marketing of the workers' compensation coverage was conducted by Willis last year, and coverage was moved to Lackawanna as a result of the marketing effort, this line of coverage was not marketed. Lackawanna's renewal premium is \$325,720, a reduction of 6% or \$20,926. The primary reasons for the decrease was a reduction in the College's experience modification factor and the carrier's continued confidence in the College's ability to avoid claims. The Human Resources Office and the College's Safety Committee continue to review all work-related claims and offer recommendations and training efforts where needed. The College's Safety Committee again received re-certification from the PA Department of Labor; this automatically makes the College eligible for a 5 percent reduction in premium.

Property

Willis marketed the property coverage to the following carriers: Chubb (incumbent), CAN, Travelers, Zurich, Affiliated FM, and Philadelphia Insurance Co. Quotes that are lower than the expiring premium (\$201,758) were received from Affiliated FM (\$163,119) and CNA (\$165,000); competitive quotes were received from Chubb (\$210,272) and Travelers (\$198,500) while Zurich and Philadelphia Insurance Co. declined to quote. A review of the policy form of Affiliated FM by Willis staff identified only minor differences in certain sublimit coverages. Affiliated FM had been the College's property carrier prior to Chubb. This policy also provides \$7 million of business interruption insurance.

Educator Legal Liability

The ELL policy provides management liability protection (\$15 million limit with a \$75,000 retention) for the College's Board of Trustees and the Foundation's Board of Trustees, employment practices liability, employed lawyers liability and professional liability for faculty

and staff. Chartis, the incumbent carrier, provided a quote of \$78,852 that is the same as expiring. Willis also approached WRM, a relatively new insurance company that focuses on the education and non-profit market, and UE. Although UE did not submit a formal quote, they indicated that their pricing would be comparable to what was quoted last year (\$140,000). WRM offered an indication to quote but ultimately did not provide the required information to effectively compare policies.

Automobile

The incumbent carrier, Philadelphia Insurance Co., offered a renewal rate of \$17,302 which is 4.8% or \$794 more than expiring. Travelers, CNA and WRM were also approached by Willis. CNA declined to quote, WRM was only interested in this line if it was packaged with the general liability coverage and Travelers did not meet the deadline established for providing a formal quotation. This policy covers employees driving College owned, rented or hired vehicles as well as providing collision and comprehensive coverages for the College's Facilities' trucks, one sedan and the mailroom van.

Student Medical Malpractice

CNA offered a quote of \$8,753 that is \$232 higher than expiring. The College again received rate reductions for being a long-term client (3+ years) and for having no claims during the most recent three-year period. The number of students participating in clinical settings affects the cost of this insurance. UE also provided a quote but it was substantially higher than CNA.

Crime

Chartis, the incumbent carrier, offered a renewal rate of \$14,701 that is essentially a flat renewal (\$6 above expiring). This policy provides the College with protection against 1st party (employee) theft and 3rd party theft and fraud for a limit of \$4 million.

International Liability

This policy was last marketed for the 2009-10 fiscal year and a three-year policy was purchased from ACE. This policy, which also includes kidnap and extortion coverage, expires July 1, 2012. Willis received quotes from ACE, Chartis, and Navigators. All but ACE offered a three-year policy. On an annual basis, the quotes received are as follows: ACE - \$3,134; Chartis -\$2,851; and Navigators -\$3,035.

Security and Privacy (Cyber Insurance)

The College first secured this line of coverage for the 2011-2012 fiscal year. This insurance offers protection to the College if there were data security breaches or compromises of student and/or employee data. The carrier will provide forensic and legal assistance from a panel of experts to help determine the extent of the breach and the steps required to comply with applicable laws, include the following: notification to persons who must be notified under applicable law; offer 12 months of 3-bureau credit monitoring to affected individuals; identify theft-related fraud resolution services for individuals enrolled in credit monitoring who become victims of identity theft; and extend coverage for theft, loss or unauthorized disclosure of information held by business associates as defined by HIPPA. First party benefits include protection for data recovery and

business interruption, extortion threats and regulatory defense and penalties. The policy also protects the College against 3rd party legal action for damages arising from the alleged breach (including defense costs). The renewal quote received from Beazley, the incumbent carrier, is \$19,956 or \$4,332 less than expiring.

Broker Fee

The annual fee for 2012-13 is \$50,000 according to the new three-year agreement with Willis.

Recommendation

College staff, after carefully considering the available options internally and with its broker representatives, recommends that the College procure insurance as detailed below.

<u>Coverage</u>	<u>Carrier</u>	<u>2012-13 Renewal Premium</u>	<u>2011-12 Expiring Premium</u>
General Liability (\$1M)	United Educators	\$140,237 *	\$109,356
Umbrella (\$25M)	United Educators	82,076	78,122
Workers' Compensation	Lackawanna	325,720	346,646
Property	Affiliated FM	163,119	201,758
Educators Legal Liability (\$15M)	Chartis	78,852	78,852
Automobile	Phila. Insurance Co.	17,302	16,508
Student Medical Professional Liability (\$1M)	CNA	8,753	8,521
Crime (\$4M)	Chartis	14,701	14,695
International Liability	ACE	2,851	3,133
Security & Privacy (\$1M)	Beazley	19,956	24,288
TOTAL INSURANCE PREMIUMS		\$853,567	\$881,879
Broker Fee	Willis	\$ 50,000	\$ 55,000

* Change in deductible limits from \$50,000 per claim to \$25,000 per claim and from \$200,000 annual maximum to \$100,000 annual maximum.

ATTACHMENT B

**INSURANCE PROPOSAL
JULY 1, 2012 TO JUNE 30, 2013**

PREPARED BY WILLIS

Property Coverage Comparison

Property and Boiler & Machinery	Chubb Expiring 2011 to 2012	Chubb Renewal 2012 to 2013	Affiliated FM Renewal 2012 to 2013	CN A Renewal 2012 to 2013	Travelers Renewal 2012 to 2013
Limits					
Blanket Limit (Property Damage – Real & Personal Property)	\$348,000,000	\$348,000,000	\$357,714,986	\$357,000,000 Includes EDP	\$350,000,000
Blanket Business Interruption	\$7,000,000	\$7,000,000	\$7,000,000	\$7,000,000	\$7,000,000
Extra Expense – The company will pay the greater of the sub-limit or 15% of the reported annual Business Interruption values	Included with business interruption	Included with business interruption	\$5,000,000	Included with business interruption	\$7,000,000
Earth Movement (Annual Aggregate, for all coverages provided)	\$100,000,000	\$100,000,000	\$100,000,000	\$100,000,000	\$50,000,000
Flood (Annual Aggregate, for all coverages provided)	\$50,000,000	\$50,000,000	\$100,000,000	\$50,000,000	\$50,000,000
Photographic Equipment	\$65,660	\$65,660			
Machinery Breakdown	Included	Included	Included	Included	Included
430 – 440 N. 15 th Street Building	\$4,500,000 Building \$100,000 Contents Vacancy Clause Applies	\$1,000,000 Building Vacancy Clause Applies & ACV	\$4,500,000 Building Vacancy Clause Applies	Vacancy Clause Applies	\$4,500,000 Building Vacancy Clause Applies
Extensions of Coverage Sub-Limits					
Fire Fighting Materials and Expenses	Included in \$1,000,000 blanket limit	Included in \$1,000,000 blanket limit	\$100,000	\$25,000	
Professional Fees	\$25,000	\$25,000	\$100,000	Included	\$25,000
Expediting Expenses	Included in BI/EE limit	Included in BI/EE limit	\$250,000	\$1,000,000	
Trees, Shrubs, Plants and Lawn limit	\$100,000	\$100,000	\$100,000	\$50,000	
Pavements and Roadways	\$250,000	\$250,000	\$250,000		
Land and Water Clean Up Expense (Annual Aggregate, for all coverages)	\$50,000	\$50,000	\$50,000	\$100,000	

Property and Boiler & Machinery provided)	Chubb Expiring 2011 to 2012	Chubb Renewal 2012 to 2013	Affiliated FM Renewal 2012 to 2013	CN A Renewal 2012 to 2013	Travelers Renewal 2012 to 2013
Installation Floater	\$50,000 any job site \$50,000 in transit	\$50,000 any job site \$50,000 in transit	\$250,000		\$250,000
Newly Acquired Property	\$2,500,000 180 Days Included \$1,000,000 blanket limit	\$2,500,000 180 Days Included \$1,000,000 blanket limit	\$2,500,000 120 Days \$2,500,000	\$1,000,000 120 Days \$1,000,000	\$2,500,000 120 Days \$1,000,000
Unnamed Locations Coverage					
Unnamed Locations World-Wide	N/A	N/A	\$1,000,000	N/A	
Fine Arts	\$1,000,000	\$1,000,000	\$1,500,000	\$1,000,000	\$1,000,000
Accounts Receivable	\$1,000,000	\$1,000,000	\$1,000,000	\$5,000,000	\$5,000,000
Brands and Labels	Included in personal property	Included in personal property		\$25,000	
Valuable Papers and Records	\$1,000,000	\$1,000,000	\$1,000,000	\$5,000,000	\$5,000,000
Library Books	Included in contents	Included in contents	\$5,000,000 Not to exceed \$100 per book	Included in contents	Included in contents
Electronic Data Processing, Data and Media	\$9,528,000	\$9,528,000	\$500,000	Included in Blanket	\$20,000,000
Demolition and Increased Cost of Construction					
• Undamaged Portion			Policy Limit	Policy Limit	
• Demolition	\$5,000,000	\$5,000,000	\$5,000,000	\$5,000,000	
• Compliance with the Law	\$10,000,000	\$10,000,000	Included in demolition	\$5,000,000	
• Business Interruption			Included in demolition		
Errors and Omissions	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000
Transit Coverage	\$1,000,000	\$1,000,000	\$1,000,000	\$100,000	\$1,000,000
Tenants Legal Liability and Expenses	Included in \$1,000,000	Included in \$1,000,000	\$500,000		\$1,000,000

Property and Boiler & Machinery	Chubb Expiring 2011 to 2012	Chubb Renewal 2012 to 2013	Affiliated FM Renewal 2012 to 2013	CNA Renewal 2012 to 2013	Travelers Renewal 2012 to 2013
Soft Costs	blanket limit N/A On per project basis	blanket limit N/A On per project basis	\$100,000	\$1,000,000	
Research and Development	Included in \$1,000,000 blanket limit	Included in \$1,000,000 blanket limit	Policy Limit	\$1,000,000	
Research Animals	N/A Can be added by endorsement if needed	N/A Can be added by endorsement if needed	\$250,000 not to exceed \$1,000 per animal		
Personal Property of Students and Teachers not to exceed a limit of \$10,000 Per Student or Teacher (Annual Aggregate, for all coverages provided)	Included in \$1,000,000 blanket limit	Included in \$1,000,000 blanket limit	\$1,000,000		
Emergency Evacuation Expense	N/A	N/A	N/A	\$1,000,000	N/A
Business Interruption – Extensions of Coverage Sub-Limits					
Days of Ordinary Payroll	90 Days	90 Days	90 Days	90 Days	90 Days
Days of Civil Authority	30 Days	30 Days	30 Days	30 Days	30 Days
Off-Premises Service Interruption	\$2,500,000	\$2,500,000	\$2,500,000 \$100,000 TE	\$1,000,000 PD \$100,000 TE	
Contingent Business Interruption	\$250,000	\$250,000	\$500,000	\$500,000	
Ingress/Egress	\$500,000	\$500,000	\$500,000	\$250,000	
Extended Period of Indemnity	Unlimited	Unlimited	365	365	365
Protection and Preservation of Property	Included in Loss	Included in Loss		Included in Loss	\$250,000
Deductibles:					
Earth Movement (per occurrence for each location for all coverages provided)	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000

Property and Boiler & Machinery	Chubb Expiring 2011 to 2012	Chubb Renewal 2012 to 2013	Affiliated FM Renewal 2012 to 2013	CNA Renewal 2012 to 2013	Travelers Renewal 2012 to 2013
Flood (per occurrence for each location for all coverages provided)	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000
Off-Premises Service Interruption Qualifying Period	24 Hours Locations 1/1, 1/2, 1/3, 4/1	24 Hours Locations 1/1, 1/2, 1/3, 4/1	24 hours	24 hours	24 hours
Photographic Equipment	\$500	\$500			
All Other Losses	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000
430-440 N. 15 th Street Building	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000
"Green" Property Endorsement	added automatically on 7/26/08	added automatically on 7/26/08	\$250,000 limit-additional premium \$5,352	\$5,000,000	Yes
Premium	\$201,758	Included	\$171,905	\$165,000	\$198,500
Certified Act of Terrorism	Included	Included	\$10,000	Included	Included
Non-Certified Act of Terrorism	Included	Included	Included	Included	Included
Engineering Fee	N/A	N/A	\$8,500	N/A	N/A
Commission	0%	0%	15%-minus engineering fee	0%	0%
Net Commission	\$201,758	\$210,272	\$163,119	\$165,000	\$198,500
Payment Terms	Quarterly	Quarterly	Upfront	TBD	Upfront
Additional Options					
Affiliated FM					

- Risk Improvement Coverage- \$250,000 Limit- additional premium \$4,863
- Green Coverage - \$250,000 limit- additional premium \$5,352

General Liability Coverage Comparison

An important note – UE is offering a dividend to their renewing members this year. CCP will be eligible for \$19,752.86 if you renew at least one line of coverage with UE.

General Liability	United Ed Expiring 2011 to 2012	United Ed Renewal 2012 to 2013
Limits of Liability		
General Aggregate	\$3,000,000	\$3,000,000
Each Occurrence	\$1,000,000	\$1,000,000
Fire Damage Legal Liability	\$1,000,000	\$1,000,000
Medical Expenses Per Person	\$5,000	\$5,000
Deductible		
Property Damage	\$0	\$0
Each Occurrence	\$50,000	\$50,000
Annual Aggregate	\$200,000	\$200,000
Coverages		
Defense Costs are in addition to the Limits of Liability	Yes	Yes
Premises/Operations	Yes	Yes
Products/Completed Operations	Yes	Yes
Independent Contractors	Yes	Yes
Blanket Contractual Liability	Yes	Yes
Personal & Advertising Injury	Yes	Yes
Personal Injury – Non-employment sexual harassment coverage	Yes	Yes
Premises Medical Payments	Yes	Yes
Liquor Liability	Yes	Yes
Premises Non-Owned Automobile Liability	Yes	Yes
Mobile Equipment	Yes	Yes
Broad Form Property Damage	Yes	Yes
Watercraft (no submersible) up to 50 feet and rowing shells regardless of length	Yes	Yes
Additional Coverages/Extensions		
Amendment of Pollution Exclusion – smoke from hostile fire, pollution from HVAC, application of pesticide & herbicides	Yes	Yes
Sudden and Accidental Above Ground Pollution (including bodily injury in laboratories)	Yes	Yes
Additional Insured – (blanket wording – anyone whom you are required by written contract to include as additional insured)	Yes	Yes
Allied Health Services provided at student	Yes	Yes

General Liability	United Ed Expiring 2011 to 2012	United Ed Renewal 2012 to 2013
infirmaries are included if the services are provided by an employee of the educational institution who is a registered nurse, licensed practical nurse, licensed or certified athletic trainer, nurse practitioner or other allied health personnel		
Joint Venture Coverage	Yes	Yes
Punitive Damages included where insurable by Law	Yes	Yes
“Temporary” Employees are included as Insureds	Yes	Yes
Uncompensated volunteers are included as Insureds at the discretion of the Institution	Yes	Yes
Mental Anguish is included as Bodily Injury	Yes	Yes
Corporal Punishment, sexual assault / molestation coverage (perpetrator excluded)	Yes	Yes
Athletic Events (including liability for participants)	Yes	Yes
Worldwide Territory, including incidental foreign Hired / non-owned automobile coverage	Yes	Yes
Foreign Terrorism / Foreign Hostilities Exception	Yes	Yes
Broadened Knowledge of Occurrence	Yes	Yes
90days Notice of Cancellation	Yes	Yes
Premium	\$109,356	\$115,454
Paid-In Surplus	\$0	\$0
Total Policy Cost	\$109,356	\$115,454
Payment Terms	Up Front	Up Front

Additional Option:

UE Deductible Option	\$25,000/\$100,000	\$75,000/\$200,000
Premium	\$140,237	\$105,949

Automobile Coverage Comparison

Business Automobile	Philadelphia Ins. Co. Expiring 2011-2012	Philadelphia Ins. Co. Renewal 2012-2013
Limits of Liability		
Combined Single Limit (BI & PD per Accident) – Symbol 1	\$1,000,000	\$1,000,000
Personal Injury Protection – Symbol 5	Statutory	Statutory
Added Personal Injury Protection – Symbol 5	Maximum	Maximum
Uninsured Motorist – Symbol 2	\$1,000,000	\$1,000,000
Underinsured Motorist – Symbol 2	\$1,000,000	\$1,000,000
Garage Keepers Legal Liability	\$50,000	\$50,000
Physical Damage		
Comprehensive Deductible – Symbols 2, 8	\$500	\$500
Collision Deductible – Symbol 2, 8	\$1,000	\$1,000
Hired/Borrowed Car Physical Damage	ACV or repair or replacement of the vehicle, whichever is less	ACV or repair or replacement of the vehicle, whichever is less
Garage Keepers Legal Liability Comprehensive Deductible	\$500 each accident \$2,500 aggregate	\$500 each accident \$2,500 aggregate
Garage Keepers Legal Liability Collision Deductible	\$500	\$500
Additional Coverages/Extensions		
Rental Reimbursement Coverage (up to \$100 a day for up to 30 days)	Yes	Yes
Additional and Combination First Party Benefits – \$277,500	Yes	Yes
Hired Autos Specified as covered autos you owned – CA9916	Yes	Yes
Broadened Pollution Liability Coverage	No	No
Employees as Insureds (include employee rentals in their name on company business)	Yes	Yes
Fellow Employee Exclusion Deleted for managers and above	Yes	Yes
Towing and Labor (\$100 per disablement)	Yes	Yes
Blanket Additional Insured Lessor	Yes	Yes
Unintentional Errors & Omissions	Yes	Yes
Broad Named Insured Wording	Yes	Yes
Broadened Notice of Occurrence	Yes	Yes
Broadened Knowledge of Occur.	Yes	Yes
60 Days Notice of Cancellation	Yes	Yes

Business Automobile	Philadelphia Ins. Co. Expiring 2011-2012	Philadelphia Ins. Co. Renewal 2012-2013
Transfer Rights of Recovery Endorsement	Yes	Yes
Number of Power Units	6	6
Premium	\$16,508	\$17,302
Commission	0%	0%
Payment Terms	25% Down and 9 Equal Installment	25% Down and 9 Equal Installment

Workers Compensation Coverage Comparison

Workers' Compensation	Lackawanna Expiring 2011 to 2012	Lackawanna Renewal 2012 to 2013
Limits of Liability		
Workers' Compensation	Statutory	Statutory
Employer's Liability Each Accident	\$500,000	\$500,000
Employer's Liability Disease Aggregate	\$500,000	\$500,000
Employer's Liability Disease Each Employee	\$500,000	\$500,000
Coverages/Extensions		
Other State Insurance (applies in all states except Monopolistic States)	Only PA	Only PA
Voluntary Compensation	Yes	Yes
Stop Gap Coverage	No	No
60 Days Notice of Cancellation / 10 for Nonpayment	Yes	Yes
PA Modification Factor	1.063	.924
Payroll	\$77,200,000	\$77,125,000
Premium Information	Subject to Audit	Subject to Audit
Plan Type	Guaranteed Cost	Guaranteed Cost
Premium	\$346,646	\$325,720
Commission	0%	0%
Payment Terms	Quarterly Installments	Annual

Excess Liability Coverage Comparison

Excess Liability	United Ed Expiring 2011 to 2012	United Ed Renewal 2012 to 2013
Limits of Insurance		
Each Occurrence	\$25,000,000	\$25,000,000
Annual Aggregate Limit for:	\$25,000,000	\$25,000,000
(i) Product Liability		
(ii) Completed Operations Liability		
(iii) Employee Occupational Disease Liability		
Sexual Molestation	\$25,000,000	\$25,000,000
Underlying Limit Retention	\$1,000,000	\$1,000,000
Inception Date	July 1, 2000	July 1, 2000
Maintenance Deductible	\$10,000 per drop down coverage	\$10,000 per drop down coverage
Underlying Insurance Aggregate Exhaustion:		
▪ Employers Liability	Yes	Yes
▪ Professional Liability (student blanket)		
▪ General Liability		
▪ Foreign Liability		
Coverage/Extensions		
“Pay on Behalf of”	Yes	Yes
Defense Costs are inside the Limits of Liability		
Worldwide Territory	Yes	Yes
Pollution – follow Form to Primary Policies	Yes	Yes
Athletic Event Liability – Including Injury to Participants	Yes	Yes
Professional Liability of Employees in the student health services	Yes	Yes
Security Forces Liability	Yes	Yes
Sudden and Accidental above ground pollution (including bodily injury in laboratories)	Yes	Yes
Liquor Liability – Host & Licensed Sales	Yes	Yes
Watercraft (non-submersible) under 26 feet and rowing shells	Yes	Yes
Corporal Punishment, sexual assault / molestation (perpetrator excluded)	Yes	Yes
Punitive Damages included where insurable	Yes	Yes
90 Days Notice Cancellation	Yes	Yes
Premium	\$78,122	\$84,686
Paid-In Surplus	\$0	\$0
Total Policy Cost	\$78,122	\$82,076
Payment Terms	Up Front	Up Front

Additional Option:

United Educators	United Educators
Limit- \$20,000,000	Limit- \$30,000,000
Premium- \$76,627	Premium- \$88,667

Subjectivities:

- Signed RMPC Application
- Signed UE Application
- Update UE Contact Sheets
- Contact Information for the appropriate person to coordinate required reporting of Medical Service payments

Educators Legal Liability Coverage Comparison

Educators Legal Liability	Chartis Expiring 2011 to 2012	Chartis Renewal 2012 to 2013
Limits of Liability		
D&O and Not-for-Profit Organization	\$15,000,000	\$15,000,000
Crisis Management Fund for D&O	\$50,000	\$50,000
Employment Practices	\$15,000,000	\$15,000,000
Employed Lawyers	\$5,000,000	\$5,000,000
Policy Aggregate (Shared limit of Liability between D&O, EPL & Employed Lawyers)	\$15,000,000	\$15,000,000
Side A Excess Limit	\$500,000	\$500,000
Self Insured Retention (per claim) (including defense cost)		
Non-Indemnifiable directors, trustees & officers	\$0	\$0
Crisis Management Event	\$0	\$0
Non-employment Discrimination claims (EPL coverage section)	\$75,000	\$75,000
Employed Lawyers coverage section	\$10,000	\$10,000
All other claims	\$75,000	\$75,000
Continuity Date : D&O and EPL	07/01/1998	07/01/1998
Continuity Date : Employed Lawyers	07/01/2007	07/01/2007
Defense Counsel Provisions	Chartis Counsel	Chartis Counsel
Duty to Defend	Optional Duty to Defend	Optional Duty to Defend
Coverages/Extensions		
Defense Costs are included within the limit of liability	Yes	Yes
Directors & Officers Liability, Educational Errors & Omissions and Employment Practices Liability	Yes	Yes
Punitive Damages where insurable by law	Yes – Included in Policy Limit	Yes – Included in Policy Limit
60 days Post Policy Reporting Allowance	Yes	Yes
30 days Notice of Cancellation	Yes	Yes
Notable Exclusions		
Illegal or unjust profit	Yes	Yes
ERISA Liability	Yes	Yes
Insured vs. Insured	Yes	Yes
Professional Services (other than education or teaching and employed attorneys)	Yes	Yes

Educators Legal Liability	Chartis Expiring 2011 to 2012	Chartis Renewal 2012 to 2013
Bodily Injury, death, Mental Injury or Emotional Distress (Exception to Mental Injury of Emotional Distress arising from Wrongful Employment practices)	Yes	Yes
Property Damage or Destruction	Yes	Yes
Assault or Battery	Yes	Yes
Contractual Exclusion – carve out: <ul style="list-style-type: none"> ▪ liability that would have existed in the absence of a contract ▪ tenure and peer review ▪ Defense Cost ▪ Educational Services 	Yes	Yes
Collective Bargaining	Yes	Yes
Outside Directorship (excepting those not-for-profit organizations)	Yes	Yes
Fair Labor Standards Acts or similar law (except for the Equal Pay Act, or any retaliation for exercising any rights or duties under any such laws)	Yes	Yes
Final Adjudication for all conduct Exclusions	Yes	Yes
Severability for all conduct Exclusions	Yes	Yes
Miscellaneous Endorsements		
Severability of the Application	Yes – full severability of insureds / Top 3 CCP positions imputed to the Institution	Yes – full severability of insureds / Top 3 CCP positions imputed to the Institution
Non-Rescindable	Yes	Yes
Order of Payments	Yes	Yes
Settlement Opportunity End. D&O and EPL	80% carrier / 20% insured	80% carrier / 20% insured
Payment Plan	Up Front	Up Front
Premium	\$93,316	\$93,316
Commission	15.5%	15.5%
Net Premium	\$78,852	\$78,852

Crime Coverage Comparison

Crime Coverage	Chartis Expiring 2011 to 2012	Chartis Renewal 2012 to 2013
Limits of Liability (per occurrence)		
Employee Theft	\$4,000,000	\$4,000,000
Forgery or Alteration	\$4,000,000	\$4,000,000
Inside The Premises – Theft of Money and Securities	\$4,000,000	\$4,000,000
Inside The Premises – Robbery or Safe Burglary of Other Property	\$4,000,000	\$4,000,000
Outside The Premises	\$4,000,000	\$4,000,000
Computer Fraud	\$4,000,000	\$4,000,000
Money Orders and Counterfeit Paper Currency	\$4,000,000	\$4,000,000
Funds Transfer Fraud	\$4,000,000	\$4,000,000
Credit, Debit or Charge Card Forgery	\$1,000,000	\$1,000,000
Client's Property	\$1,000,000	\$1,000,000
Deductibles (per occurrence)		
Each Loss	\$40,000	\$40,000
Except Client Property	\$10,000	\$10,000
Coverages/Extensions		
Employee Benefit Plan included as Insured/ERISA Compliance (Omnibus wording)	Yes	Yes
Definition of Employee: any natural person while in your services whom you compensate, whom you have direct control while performing services for you.	Yes	Yes
Ex-Employee Coverage for 45 days	Yes	Yes
Loss will be covered up to one year after policy termination	Yes	Yes
60 days Notice of Cancellation	Yes	Yes
Premium		
	\$17,390	\$17,397
Commission		
	15.5%	15.5%
Net Premium		
	\$14,695	\$14,701
Payment Terms		
	Up Front	Up Front

Subjectivities:

Signed Chartis Application

Student Blanket Prof. Liab. Coverage Comparison

Student Blanket Professional Liability	CNA Expiring 2011 to 2012	CNA Renewal 2012 to 2013
Limits of Liability		
Each Loss	\$1,000,000	\$1,000,000
Each Policy Period	\$5,000,000	\$5,000,000
Deductible	Nil	Nil
Coverages/Extensions		
Coverage for Actual or Alleged Medical Incidents	Yes	Yes
Faculty included as an Additional Insured while instructing / supervising students	Yes	Yes
Entity / Educational Organization as an Additional Insured	Yes	Yes
Defense Cost	Outside the limits of Liability	Outside the limits of Liability
Personal Injury Protection	Covered claims arising from charges of privacy violation, slander, libel, assault and battery and other alleged personal injuries.	Covered claims arising from charges of privacy violation, slander, libel, assault and battery and other alleged personal injuries.
School Grievance / Disciplinary Hearing	Up to \$1,000 per proceeding Up to \$10,000 aggregate	Up to \$1,000 per proceeding Up to \$10,000 aggregate
Damage to Property of Others	Up to \$250 per incident Up to \$10,000 aggregate	Up to \$250 per incident Up to \$10,000 aggregate
Assault Coverage	Covered Medical Expense or reimburses for damages to your property up to \$25,000 aggregate, up to \$1,000 per incident	Covered Medical Expense or reimburses for damages to your property up to \$25,000 aggregate, up to \$1,000 per incident
Medical Payments	Up to \$100,000 aggregate Up to \$2,000 per person	Up to \$100,000 aggregate Up to \$2,000 per person
First Aid Expenses	Up to \$25,000 aggregate Up to \$500 per incident	Up to \$25,000 aggregate Up to \$500 per incident
Defendant Expense Benefit	Up to \$10,000 aggregate for lost wages and covered expenses	Up to \$10,000 aggregate for lost wages and covered expenses
Deposition Representation	Up to \$5,000 aggregate	Up to \$5,000 aggregate
Number of Students	806	828
Premium	\$8,521	\$8,753
Willis Commission	0%	0%
HPSO Commission	40%	40%
Payment Terms	Prepaid	Prepaid

Additional Option to Consider:

Carrier	United Educators
Limit	\$1,000,000 each occurrence \$3,000,000 aggregate
Deductible	\$10,000
Premium	\$11,269

Security & Privacy Liability

Security & Privacy	Beazley Expiring 2011 to 2012	Beazley Renewal 2012 to 2013
Policy Form	Breach Response Form	Breach Response Form
Policy Type	Claims Made & Reported	Claims Made & Reported
Policy Limits - Policy Aggregate	\$1,000,000	\$1,000,000
Privacy and Security Liability	\$1,000,000	\$1,000,000
1 st Party Business Interruption	\$1,000,000	\$1,000,000
1 st Party Data Recovery	Included In BI above	Included In BI above
1 st Party Business Interruption Aggregate Sublimits:		
▪ Hourly Sublimit	\$100,000	\$100,000
▪ Forensic Expense Limit	\$100,000	\$100,000
▪ Dependent Business Interruption	\$100,000	\$100,000
Cyber Extortion	\$1,000,000	\$1,000,000
Sublimit – notification/ Breach Response Serves	250,000 notified individuals	250,000 notified individuals
Sublimit – Identity Restoration / credit monitoring	10,000 Fraud Resolution cases in the aggregate	10,000 Fraud Resolution cases in the aggregate
Sublimit- Notification Expenses	\$250,000 legal & forensic expenses - Aggregate for all incidents: \$100,000 for foreign notification expenses	\$250,000 legal & forensic expenses - Aggregate for all incidents: \$100,000 for foreign notification expenses
Sublimit – Regulatory Defense & Penalties	\$1,000,000	\$1,000,000
Sublimit- Crisis Fund	\$50,000	\$50,000
Sublimit – Website Media	N/A	N/A
Retentions	<ul style="list-style-type: none"> ▪ \$25,000 Each Claim (Security & Privacy Liability) ▪ \$10,000 (Privacy Breach Response Services) ▪ <i>Credit Monitoring</i> – Breaches involving an obligation to notify fewer than 100 individuals ▪ \$2,500 – Crisis Management & Public Relations ▪ Extortion Threat: \$25,000 ▪ Security Breach (1st Party Data Protection) \$25,000 ▪ Security Breach (Business Interruption) Income Loss: \$25,000 	<ul style="list-style-type: none"> ▪ \$25,000 Each Claim (Security & Privacy Liability) ▪ \$10,000 (Privacy Breach Response Services) ▪ <i>Credit Monitoring</i> – Breaches involving an obligation to notify fewer than 100 individuals ▪ \$2,500 – Crisis Management & Public Relations ▪ Extortion Threat: \$25,000 ▪ Security Breach (1st Party Data Protection) \$25,000 ▪ Security Breach (Business Interruption) Income Loss: \$25,000

Security & Privacy	Beazley Expiring 2011 to 2012	Beazley Renewal 2012 to 2013
	Extra Expense: \$25,000 ▪ Business Interruption Waiting Period: ○ 10 Hours	Extra Expense: \$25,000 ▪ Business Interruption Waiting Period: ○ 10 Hours
Retroactive Date	July 1, 2011	July 1, 2011
Premium	\$24,288	\$25,750
Commission	22.5%	22.5% to be offset against fee
Net Commission Premium	\$24,288	\$19,956

Foreign Package Liability

Foreign Liability	ACE Expiring 2010 to 2011	ACE Renewal 2011 to 2012	Chartis Renewal 2011to 2012	Navigators Renewal 2011 to 2012
Contingent Auto Limits of Liability				
Each Accident	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000
Auto Medical Payments	\$10,000each person/\$20,000 each accident	\$10,000each person/\$20,000 each accident	\$25,000 each accident limit	\$25,000 any one accident
Hired Auto Physical Damage Coverage:				
- For any one accident	\$25,000	\$25,000	\$25,000 each loss	\$25,000
- Any one policy period	\$25,000	\$25,000	\$25,000 each auto Deductible: \$1,000	Deductible:\$1,000
Foreign Voluntary WC & Employers Liability				
Limits of Liability				
Bodily Injury by Accident – Each Accident	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000
Bodily Injury by Disease – Each Employ.	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000
Bodily Injury by Disease – Policy Limit	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000
Benefits for Voluntary Compensation:				
▪ North American	State of Hire	State of Hire	State of Hire	State of Hire
▪ Third Country Nationals	Country of Origin	Not Covered	Country of Hire	Country of Hire
▪ Local Nationals	Country of Origin	Not Covered	Country of Hire	Country of Hire
Accidental Death and Dismemberment & Medical- Employees Coverage				
Accidental Death & Dismemberment	\$25,000 per covered persons/\$1,500,000 Aggregate	\$50,000 per covered persons/\$1,500,000 Aggregate	Same as Student's below	Same as Student's below
Executive Assistance	\$1,000,000 policy limit	\$1,000,000 policy limit		
Accidental Death and Dismemberment & Medical – Student & Chaperone Coverage				

Foreign Liability	ACE Expiring 2010 to 2011	ACE Renewal 2011 to 2012	Chartis Renewal 2011 to 2012	Navigators Renewal 2011 to 2012
Limits of Liability				
Accidental Death & Dismemberment	\$50,000 per covered persons	\$50,000 per covered persons	\$50,000 or 5x the annual salary whichever is lower, each insured person	\$100,000 per covered person
Medical Expense	\$10,000	\$10,000	\$10,000 each insured person	\$10,000 each insured person
Deductible Medical Coverage	\$0	\$50	\$500 each person	\$250 each person
Aggregate	\$2,000,000	\$2,000,000	\$500,000 any one accident	\$1,000,000 any one accident
Executive Assistance	\$500,000 per covered person/1,000,000 per policy limit	\$500,000 per covered person/1,000,000 per policy limit	See below	See below
Emergency Medical Evacuation	Executive Assist.- see above	Executive Assist.- see above	\$100,000 each insured person	\$1,000,000 each person/policy limit
Emergency Family Travel	\$300 per day/\$5,000 maximum any one occurrence	\$300 per day/\$5,000 maximum any one occurrence	\$10,000 per person/\$25,000 max any one accident	\$300 per day/\$5,000 maximum any one occurrence
Repatriation of Remains	Executive Assist.- see above	Executive Assist.- see above	\$20,000 per persons/\$100,000 any one accident	\$25,000 each person
Emergency Political Evacuation	\$2,500 policy limit	\$2,500 policy limit		\$2,500 policy limit
Corporate Kidnap and Ransom/Extortion				
Extortion/Ransom Moneys Payment	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000
In-Transit Delivery – Each loss & Aggregate limit	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000
Expenses – Each loss & Aggregate limit	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000
Legal Cost	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000
Detention Expenses	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000
Death or Dismemberment				
▪ Each loss	\$250,000	\$250,000	\$100,000	\$100,000
▪ Incident Limit	\$1,250,000	\$1,250,000	\$1,000,000	\$1,000,000
Incident Response	Unlimited	Unlimited		
Territory Covered	Any where in the world except:	Any where in the world except:	Any where in the world except:	Any where in the world except:
Territories Excluded	▪ United States and Puerto	▪ United States and Puerto	▪ United States and Puerto	▪ United States and Puerto

Foreign Liability	ACE Expiring 2010 to 2011	ACE Renewal 2011 to 2012	Chartis Renewal 2011 to 2012	Navigators Renewal 2011 to 2012
	Rico ▪ Any country or jurisdiction which is the subject of trade or economic sanctions imposed by laws or regulations of the United States of America.	Rico ▪ Any country or jurisdiction which is the subject of trade or economic sanctions imposed by laws or regulations of the United States of America.	Rico ▪ Any country or jurisdiction which is the subject of trade or economic sanctions imposed by laws or regulations of the United States of America.	Rico ▪ Any country or jurisdiction which is the subject of trade or economic sanctions imposed by laws or regulations of the United States of America.
Premium	\$3,686	\$3,832	\$3,354	\$3,570
Commission	15%	15%	0%	0%
Net Premium	\$3,134	\$3,257	\$3,354	\$3,570
Payment Terms	Prepaid	Prepaid	Prepaid	Prepaid

Additional Options:

Carrier	Chartis	Navigators	Chartis	Navigators
Policy Term	2 year term	2 year term	3 year term	3 year term
Premium	\$6,708	\$6,426	\$8,552	\$9,104