



AGENDA ITEM 3c

TO: MEMBERS, BOARD OF DIRECTORS

- I. SUBJECT:** Renewal of Expiring November 2012 Insurance Coverage
- II. PROGRAM:** Risk Management
- III. RECOMMENDATION:** It is recommended that the President be authorized to secure renewal of the November 2012 expiring policies at terms most favorable to State Fund.

IV. ANALYSIS:
 The following insurance policy renewal items include the property/casualty policies that are due for renewal on November 4, 2012. Risk Management recommends that the President be authorized to secure renewal of the expiring policies at terms most favorable to State Fund for the following coverage: Property (All Risk Perils, Earthquake/Flood); Commercial General Liability; Automobile Liability; and Umbrella/Excess.

V. RESULTS/COSTS:
 The insurance policy renewals fulfill a prime Risk Management responsibility. The following details the current insurance carriers, the policy limits, deductibles, and premium for each type of coverage.

Coverage Type	Expiring Insurer/Premium	Details
Property – All Risk Perils	Zurich \$637,988	<ul style="list-style-type: none"> • \$200M limit <ul style="list-style-type: none"> ○ \$100,000 deductible • \$10M limit earthquake & flood
Excess Earthquake and Flood	Quota Share – 4 insurers Empire; QBE Specialty; Everest; and Princeton \$395,600	<ul style="list-style-type: none"> • \$70M, excess of \$10M
Property Sub-total	\$1,033,588	

Coverage Type	Expiring Insurer/Premium	Details
Commercial General Liability	CNA \$79,795, subject to audit	<ul style="list-style-type: none"> • Limits: <ul style="list-style-type: none"> ○ \$1M per occurrence ○ \$2M aggregate • No self-insured retention
Motor Vehicle Liability	CNA \$142,596 (annualized)	<ul style="list-style-type: none"> • \$1M limit <ul style="list-style-type: none"> ○ \$1,000 deductible • No self-insured retention
GL/Auto Sub-total	\$222,391	
Umbrella/Excess Liability 1 st Layer	CNA \$75,330	<ul style="list-style-type: none"> • \$25M limit, excess of primary
Umbrella/Excess Liability 2nd Layer	Quota Share – 3 insurers Zurich; Great American; and Chubb \$64,387	<ul style="list-style-type: none"> • \$75M limit, excess of 1st layer
Umbrella Sub-total	\$139,717	
Total Premium	\$1,395,696	

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