



AGENDA ITEM 3f – ACTION REQUIRED

TO: MEMBERS, BOARD OF DIRECTORS

- I. SUBJECT:** Renewal of Expiring September 2013 Insurance Coverage
- II. PROGRAM:** Risk Management
- III. RECOMMENDATION:** **Action Required** – To approve that the President be authorized to secure renewal of the September 2013 expiring policies at terms most favorable to State Fund.

IV. ANALYSIS:
 The following insurance policy renewal items include the management liability policies that are due for renewal on September 30, 2013. 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: Directors and Officers, Employment Practices, Crime, Errors and Omissions, and Cyber Liability.

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

Coverage Type	Expiring Insurer/Premium	Details
Directors and Officers Liability – Primary	XL Specialty Insurance Co. \$168,000	<ul style="list-style-type: none"> • \$10M limit <ul style="list-style-type: none"> ○ Retention: <ul style="list-style-type: none"> Side-A: none Side-B and C: \$500,000
Directors and Officers Liability – 1 st Excess	AXIS Insurance Co. \$65,054	<ul style="list-style-type: none"> • \$5M, excess of \$10M
Directors and Officers Liability – 2 nd Excess	Liberty Mutual \$44,800	<ul style="list-style-type: none"> • \$5M, excess of \$15M
Directors and Officers Liability – 3rd Excess	RLI Insurance \$30,000	<ul style="list-style-type: none"> • \$5M, excess of \$20M • Side-A D.I.C.
Directors and Officers Liability – 4 th Excess	XL Specialty Insurance Co. \$29,000	<ul style="list-style-type: none"> • \$5M, excess of \$25M • Side-A D.I.C.
D&O Sub-total	\$336,854	

Coverage Type	Expiring Insurer/Premium	Details
Employment Practices Liability	AXIS Insurance Co. \$131,307	<ul style="list-style-type: none"> • \$10M limit <ul style="list-style-type: none"> ○ \$500,000 Retention
Crime	AXIS Insurance Co. \$21,070	<ul style="list-style-type: none"> • \$5M limit <ul style="list-style-type: none"> ○ \$150,000 Retention
Errors and Omissions – Insurance Company	Indian Harbor (XL Prof.) \$533,715	<ul style="list-style-type: none"> • \$10M limit <ul style="list-style-type: none"> ○ \$1M Retention
Errors and Omissions – Managed Care	Homeland Ins. (AXIS) \$80,150	<ul style="list-style-type: none"> • \$5M limit <ul style="list-style-type: none"> ○ \$50,000 Deductable
Cyber Liability – 3rd Party	Lloyds of London \$109,100	<ul style="list-style-type: none"> • \$10M limit <ul style="list-style-type: none"> ○ \$500,000 Retention
Cyber Liability – 1st Party	Lloyds of London \$21,675	<ul style="list-style-type: none"> • \$2M limit <ul style="list-style-type: none"> ○ \$100,000 Retention
Total Premium	\$1,233,871	

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Risk Manager