

**MEETING OF THE BUSINESS AFFAIRS COMMITTEE
OF THE BOARD OF TRUSTEES
Community College of Philadelphia
Wednesday, June 22, 2011 – 9:00 A.M.**

Present: Mr. Matthew Bergheiser, presiding; Mr. Bart Blatstein, Ms. Varsovia Fernandez, Mr. Willie Johnson, Dr. Stephen M. Curtis, Mr. Gary Bixby, Dr. Thomas R. Hawk, Mr. James P. Spiewak, Jill Weitz, Esq., and representing Willis Insurance: Mr. Christopher J. Schwyter, Senior Vice President

AGENDA PUBLIC SESSION

(1) 2011-12 Property and Casualty Insurance Renewal Program (Action Item):

Discussion: The College's insurance program is reviewed annually prior to the July 1 renewal. The 2011-12 renewal process was undertaken on behalf of the College by Willis, the College's insurance broker of record. 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 is in the fourth year of a five year contract with the College. Willis does not operate on a commission basis, but is retained for a flat fee to market the College's insurance programs. Dr. Hawk noted that this contract structure was employed to avoid a potential conflict of interest in marketing the College's insurance coverages.

In addition to assisting with the development of the annual insurance coverage package, 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 contract amount for Willis' 2011-12 insurance services is \$55,000. This is the only remuneration that Willis receives from the College.

Mr. Chris Schwyter, Senior Vice President at Willis, and Mr. Spiewak provided an overview of the process that was used to develop the recommended insurance program for 2011-12. 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 (New).

The only type of new coverage recommended for the 2011-12 fiscal year is cyber insurance. Staff noted that this coverage is relatively new within higher education. However, in light of a growing number of data breaches, many higher education institutions are electing to obtain this coverage. This insurance will cover the cost of notification to affected individuals in the case of a data breach, as well as any required credit monitoring that may be required for individuals whose personal information was breached. More details on the cyber insurance coverage are provided in Attachment A.

The expiring 2010-11 premiums totaled \$849,240. The renewal premiums total \$881,858. The broker fee for Willis is \$55,000. A comparison of 2010-11 and recommended 2011-12 insurance providers and premium costs can be found in Attachment A. Attachment B provides a summary schedule showing coverage information for each of the policies.

Mr. Blatstein asked how the College established the coverage limits for the policies. Staff responded that the College follows patterns that are used by similarly-sized higher education institutions around the country recognizing that because of its urban location, the College has additional risks in some areas that would not be the case in a more isolated suburban or rural college or university. Mr. Schwyter noted that Willis represented Montgomery, Delaware and Allegheny County Community Colleges, and that the College's limits were very comparable to those in place at those institutions. Willis also represents approximately 25 other colleges and universities in Pennsylvania. Ms. Fernandez noted that with respect to the cyber insurance, there was an option for a one million dollar and two million dollars worth of coverage. She asked how the decision to go to the one million dollar coverage was determined. Staff explained that while the College had over 650,000 different individuals contained within the institutional record databases, the files are very segmented. Because of the data file structures, it would be very unlikely for someone breaching institutional data to obtain access to all of the individual records at one time. Working with IT staff, it was determined that the maximum exposure level was in the range of 250,000 individuals.

Mr. Bergheiser noted that there had been an earlier conversation by the Committee on the benefits of having Willis operate on a flat fee basis versus a commission basis. He asked what the comparative financial benefits were to the institution. Mr. Spiewak responded that an analysis had been done. At the low end of the current brokerage commission rates, if the College had purchased its insurance on a brokerage commission basis, the additional cost to the College would have been at least \$80,000. The negotiated flat fee arrangement with Willis was costing the College \$55,000. In return for this fee, the College receives a wide range of services from Willis staff over the course of the fiscal year. Mr. Bergheiser asked Mr. Schwyter if there were possibilities for consortium buying that could potentially reduce the insurance costs. Mr. Schwyter responded that if a coordinated effort was pursued (e.g., through the Pennsylvania Community College Commission), it was possible that group purchase of insurance could result in some savings. This would require the various colleges to agree on a standard approach to buying insurance and a willingness to change carriers in order to achieve the consortium premium cost. To date, there has not been a strong interest among the 14 community colleges in Pennsylvania in pursuing such an approach.

Action: Ms. Fernandez moved and Mr. Johnson seconded the motion that the Committee recommend to the full Board that the 2011-12 insurance program with a total cost, including broker fee, of \$936,858 be approved. The motion passed unanimously.

(2) Food Service Contract (Action Item):

Discussion: As discussed at the May meeting of the Business Affairs Committee, the College is in the third year of its contract with Canteen. The current three year contract expires on August 17, 2011. The current contract has two option years which can be accepted on a one-year-at-a-time basis. At the last meeting of the Business Affairs Committee, Committee members asked staff to not enter into an additional contract year with Canteen until an opportunity had been taken to explore the use of other providers to see if there are competing proposals that could result in an improved product and better financial performance for the College. Following the May meeting, with the help of Mr. Blatstein one potential provider was identified, GuestCounts Hospitality. A full briefing and tour of the College's food service operations were provided to

GuestCounts representatives. After a review of the College's operations, GuestCounts declined to make a proposal at this time.

Staff concluded that the complexities and time issues associated with issuing an RFP, including coordinating potential vendor site visits and staff visits to potential vendor sites, as well as coordinating potential moves with construction activities and acquiring a new Health Department license, would make it difficult to have a successful opening with a new contractor prior to the August 17, 2011 date. Therefore, staff recommended extending the Canteen contract for one year, during which a full RFP process will be undertaken. Granting a one-year extension at this time will allow both the College and Canteen to begin serious marketing efforts immediately, and enable the College to continue on its implementation timeline for the stored value feature of the One-Card. It will also permit the College to pursue a more comprehensive pool of alternative providers in order to maximize the effectiveness of an RFP process. Mr. Blatstein stated that in the context of the very short turnaround time, there did not appear to be a good option other than to extend the contract with the current provider for another year.

The Committee discussed a number of issues. The current street vendors, which are on 17th Street as well as Spring Garden Street, are having an adverse impact on the volume of sales that can be achieved by the in-house provider. Dr. Hawk noted that the College has had some success in reducing the number of street vendors at the Main Campus, but that their total elimination would be very unpopular with many students and staff. Mr. Blatstein stated that another option would be to find a way for the College to benefit financially from the vendors' presence by charging them rent for locations on campus. The Committee also discussed the opportunities that might exist to create minority participation in the College's food service account. Mr. Blatstein suggested one approach in the future might be to identify a minority food service provider, and then hire a consultant to work with the food service provider to ensure that quality and service expectations held by the College were met by the provider. He stated that this approach could give an opportunity to help a local minority firm to grow.

Mr. Bergheiser asked about the status of the contract terms. Mr. Spiewak responded that under a longer-term contract extension, Canteen was prepared to make a \$210,000 contribution to the College's Capital Campaign. With the one year extension, the only potential change will be improvement in the vending commission rates over those that had been received in the first three years of the contract.

Action: Mr. Blatstein moved and Mr. Johnson seconded the motion that the Committee recommend to the full Board that the current Canteen contract be extended for one year. The motion passed unanimously.

(3) Contract Award, Anthony Biddle Contractors: Site Work and Drilled Caissons, \$596,100 (Action Item):

Discussion: The Main Campus construction project is entering the final phase of construction. This phase includes an expansion of the ground floor of the Bonnell and extensive site work in the exterior area between the Bonnell Building and 17th Street. This component of the project was originally bid December 2009 with the lowest bid received having a value of \$756,000. Subsequent to the December 2009 bid process, the timing of this phase of the project schedule was revised in order to reduce the impact of the Bonnell renovations on

ongoing College operations. In addition, the scope of project was modified to simplify some structural elements and to include an enhanced hardscape design. Because of the delay and scope changes, the original bidder withdrew and the contract was rebid. Five bidders participated with two submitting a "No Bid" response.

BIDDER	AMOUNT
Anthony Biddle	\$596,100
Mayfield	\$630,500
The Bedwell Company	\$998,000
LocLogistics	No bid
Plus	No Bid

Anthony Biddle Contractors proposal includes a projected award of an \$114,000 subcontract to a minority owned firm. Mr. Blatstein questioned if this subcontract amount would actually be retained by the minority firm. Mr. Bixby outlined the contract language safeguards and monitoring approaches in place to help ensure the integrity of the contractual commitments to minority firms. The Committee discussed the ongoing efforts that have been pursued by the College to create opportunities for minority and women-owned firms to have increased opportunities for participation in the College's construction projects.

Action: Mr. Johnson moved and Mr. Blatstein seconded the motion that the award of a contract be granted to Anthony Biddle Company in the amount of \$596,100 for site work and drilled caissons in support of the Bonnell Building expansion phase of the BMW project. The motion passed with Ms. Fernandez abstaining.

(4) Change Orders for BMW and Pavilion Building Projects (Action Item):

Staff requested approval for the following change orders:

A. Revisions to Architectural Components and Layout in "One Stop" Center

APEX Electrical Services, \$72,876 – for rewiring, lighting, building system controls and fire systems

Ernest Bock & Sons, \$106,789 – for general trades work including flooring, office construction, door hardware and ceilings

Discussion: In the final phase of the BMW project design review, several changes were made to the Bonnell Building portion of the Enrollment Services 'one stop' service areas. An 'over-designed' architectural feature involving heavy use of structural steel was eliminated which resulted in budget savings of \$107,000. At the same time, Student Affairs staff requested the relocation of the components of the Enrollment Services functional areas which resulted in changes to several aspects of the space including: service areas, office layouts and changes to the associated structures, mechanical and electrical systems. Mr. Bixby explained that, in the intervening three years since the original BMW program planning had occurred, Student Affairs had decided upon new approaches to improve student services which required these realignments in the designed spaces. These changes will add \$179,665 in new costs for a net impact of \$72,665 of new costs to the BMW project.

Action: Mr. Blatstein moved and Mr. Johnson seconded the motion that the revisions to the architectural components and layout in the "One Stop" Center be approved for a total cost of \$179,665. The breakdown of costs is as follows: APEX Electrical Services, \$72,876 – for rewiring, lighting, building system controls and fire systems; and Ernest Bock & Sons, \$106,789 – for general trades work including flooring, office construction, door hardware and ceilings. The motion passed unanimously.

B. Contract Extension for Pavilion Building General Trades Contractor

The Bedwell Company, \$138,757 – for additional staff hours and construction site support during the extended construction period for the Pavilion Building.

Discussion: Based upon the substantial increases in required site work efforts which occurred in the first phases of the Pavilion Building, the Pavilion construction calendar was increased by 211 days. As a result, the General Trades Contractor services were required to be extended to align with the new phasing, project rescheduling and scope increase. The new project schedule added 211 calendar days for achieving substantial completion of the Pavilion Building. This change order was anticipated at the time the project schedule was required to be reset, and will be charged against existing allowance lines in the project budget. It will not impact on the previously-reported costs for the Pavilion Building.

Action: Ms. Fernandez moved and Mr. Johnson seconded the motion that the contract for the General Trades contractor, the Bedwell Company, be extended in the amount of \$138,757 for additional staff hours and construction site support during the extended construction period for achieving substantial completion of the Pavilion Building. The motion passed unanimously.

(5) Update on Current Campus Construction Projects (Information Item):

Mr. Bixby provided an update on the current construction projects. He discussed the following: the completion of the security access and surveillance systems at the Northeast Center; installation of the backup UPS systems needed for the operation of the redundant server facility at NERC; progress on the completion of the West Regional Center expansion expected to open in mid-fall 2011; and initial modifications being made to 440 North 15th Street to meet requirements of the College's insurance carrier. He noted that a key event for the Main Campus construction was occurring on Friday, June 24, when the final City inspections for the Pavilion Building's certificate of occupancy would occur. (Note: The College did successfully make it through the final inspection and the certificate of occupancy for the Pavilion Building was issued on June 24, 2011.)

Staff noted that the final landscaping for the Pavilion Building would not be installed until spring 2012. Consistent with the gold-level LEED design for the Pavilion Building, a green landscape approach will be used for the Main Campus. The College's commitment to this landscape effort will emphasize an environmentally-responsible design in an urban setting. Among the features of the design will be a new Campus Tree program and full integration of the landscaping with the College's Public Art Project.

(6) Next Meeting Dates

The next regularly scheduled meeting of the Committee will occur on Wednesday, September 21, 2011 at 9:00 A.M.

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Attachments
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ATTACHMENT A

**COMMUNITY COLLEGE OF PHILADELPHIA
OVERVIEW OF 2011-12 INSURANCE
PROGRAM RENEWAL**

INSURANCE PROGRAM RENEWAL 2011-12

Introduction

The College insurance program is reviewed annually prior to the July 1 renewal. During the renewal strategy meeting held in February, 2011, it was agreed that the best strategy would be for Willis to conduct a full marketing of the College's insurance programs with the exception of property (due to the on-going construction and renovations projects) 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 over 15 different carriers for our lines of coverage.

General Liability

The College's general liability coverage has been with United Educators for ten 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 approached Chartis, Travelers, Hanover and The Pennsylvania School Board Association (PSBA) insurance trust of which CCP is a PSBA member. United Educators offered a renewal premium of \$109,356 which is \$3,858 higher than the expiring rate (3.7%) 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 (1.5%) and increases to the College's enrollments and building square footage. 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 an \$18,909 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 first dividend issued to members in its 24-year history. Chartis offered a quote of \$137,880 with a self-insured retention of \$50,000. PSBA provided a quotation with a deductible of \$25,000 but at a cost of \$384,173. Hanover and Travelers 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 ten 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 Chartis, Travelers, Hanover and PSBA. United Educators offered a flat renewal rate of \$78,122 that is \$1,525 above the expiring premium. Most of this increase (\$1,500) was due to the fact that an endorsement was required to extend coverage over a lower primary level of Employer's Liability (see Workers Compensation below). This policy also sits on top of the \$1 million coverage for student medical malpractice 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. Chartis quoted a premium of \$108,909; PSBA quoted \$54,383 but could only provide \$20 million in liability limits and the terms were not as broad as the United Educators' policy. Both Travelers and Hanover declined to quote due to their inability to offer price competitive terms.

Workers' Compensation

PMA, the College's incumbent carrier, offered a renewal rate that is 38.4 percent or \$117,341 higher than the expiring premium. Its quote was influenced by three primary factors: a 12 percent increase in the College's experience modification factor, an overall 7 percent increase in PMA's class rate for higher education, and the underwriter granting less credits to the College than in prior years. The College's experience modification factor increased from .950 to 1.036. The College continues to have a low frequency and severity of work-related injuries. Although the loss amounts utilized to calculate the 2011 modification are similar to the amounts used in 2010, the 2010 year included losses for the 2005-06 policy year. Under this policy year there was a large loss that the calculation "capped." This resulted in a reduced loss valuation for that year for the calculation. The 2011 year modification calculation did not utilize the 2005-06 policy year losses in the calculation; that year was replaced with the 2009-10 policy year losses. The 2009-10 policy year had a similar incurred loss amount; however, none of the losses were significant enough to merit a "cap." Therefore more of the loss amount was used in the calculation causing the modification factor to increase.

Willis approached twelve additional carriers with four carriers submitting quotes. Lackawanna Insurance offered the most competitive quote – a guaranteed cost program at \$346,625. This represents a 14% increase over the expiring premium. Its Employers' Liability coverage is only \$500,000, so to cover the gap of \$500,000 to reach our Umbrella policy deductible limit, Willis was able to purchase an endorsement from United Educators in the amount of \$1,500 (noted in the Umbrella section above). The next most competitive option was PSBA which quoted a premium of \$399,292. Sentry offered alternative risk financing plans (a prefunded deductible

and an incurred loss retro option) but neither were cost competitive. 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

Chubb Group of Insurance, the incumbent carrier, offered a renewal rate of \$201,758 representing a 13% reduction. The expiring program, which included costs for builders' risk (for Pavilion Building, main campus renovations and Northeast Regional Center expansion) was \$231,605. The College's insured value rose 13% from \$314 million to \$355.5 million. 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 9.4 percent or \$8,224 lower than expiring. Willis approached several alternative carriers including United Educators, Hiscox, and One Beacon. Hiscox quoted a premium of \$72,211. Hiscox offered similar coverage terms as Chartis, however, they do not possess the level of higher education experience of Chartis nor do they have an established higher education practice. One Beacon quoted similar coverage at a premium of \$76,410, however, like Hiscox, they do not have extensive experience working with the higher education market. United Educators was not price competitive, quoting a rate of \$140,104 with a \$100,000 retention.

Automobile

The incumbent carrier, PMA, offered a renewal rate of \$18,816. Philadelphia Insurance Company quoted a rate of \$16,508 and Chubb quoted a rate of \$17,415. 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 \$8,521 that is \$866 lower 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.

Crime

Chartis, the incumbent carrier, offered a renewal rate of \$14,695 that is essentially a flat renewal (\$103 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. Hiscox also quoted on this line at a premium rate of \$16,582.

International Liability

During the fiscal year 2009-10 marketing of this policy, the decision was made to purchase a three-year policy with ACE. This policy, which also includes kidnap and extortion coverage, will not

expire until July 1, 2012. The annual cost for this insurance is \$3,133 which was prepaid in 2009 to take advantage of a 15% credit.

Security and Privacy (Cyber Insurance)

Willis had previously recommended that a Security and Privacy Policy be considered by the College and this coverage line has been discussed in prior committee meetings. This insurance would offer protection to the College if there were data security breaches and compromises of student and/or employee data. The carrier would 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 would also protect the College against a 3rd party legal action for damages arising from the alleged breach (including defense costs). The most competitive quote was received from Beazley who offered 1st party endorsed policies at quotes of \$24,288 and \$38,861 for policy limits of \$1 million and \$2 million, respectively. The \$1 million policy would cover up to 250,000 notified individuals and the \$2 million policy would cover up to 500,000 notified individuals. Quotes were also obtained from Chartis, ACE, Hiscox and CNA.

Broker Fee

The annual fee for 2011-12 is \$55,000, the same as expiring per the terms of our contract 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>Renewal Premium</u>	<u>Expiring Premium</u>
General Liability (\$1M)	United Educators	\$109,356	\$105,498
Umbrella (\$25M)	United Educators	78,122 (1)	76,597
Workers' Compensation	Lackawanna	346,625	305,324
Property	Chubb	201,758	231,605 (2)
Educators Legal Liability (\$15M)	Chartis	78,852	87,076
Automobile	Phila. Insurance Co.	16,508	16,028
Student Medical Professional Liability (\$1M)	CNA	8,521	9,387
Crime (\$4M)	Chartis	14,695	14,592
International Liability	ACE	3,133	3,133
Security & Privacy (\$1M)	Beazley	24,288	not applicable
TOTAL INSURANCE PREMIUMS		\$881,858	\$849,240
Broker Fee	Willis	\$ 55,000	\$ 55,000

(1) Includes \$1,500 for the drop down endorsement to extend coverage over the lower (\$500,000) coverage of Employer's Liability on the Workers' Compensation policy.

(2) Expiring premium included builders' risk coverage for the Pavilion, Northeast Regional Center and Main Campus construction projects.

ATTACHMENT B

**INSURANCE PROPOSAL
JULY 1, 2011 TO JUNE 30, 2012**

PREPARED BY WILLIS

INSURANCE PROPOSAL

PREPARED FOR

**COMMUNITY
COLLEGE OF
PHILADELPHIA**

PRESENTED BY WILLIS OF PENNSYLVANIA, INC.

PRESENTED ON DATE: June 13th,2011

The Willis logo is displayed in white, serif, all-caps font on a solid black rectangular background. The logo is positioned on the right side of a horizontal bar that has a textured, grey background on the left and a solid black background on the right.

Financial Summary

Exposure Summary

Exposure	2010-2011 Expiring	2011-2012 Renewal	% Change
Property Values	\$360,949,512	\$355,530,686	-2%
Number of Automobiles	5	6	20%
General Liability Exposures (Student FTEs)	13,275	13,550	2%
Workers Compensation (Payroll)	\$75,000,000	\$77,200,000	3%
Educators Legal (Full Time Employees)	881	906	3%

Average Rate Summary (Incumbent Carriers)

Exposure	2010-2011 Expiring	2011-2012 Renewal	% Change
Property (per \$100 of values)	.0641	.0615	-4%
Automobile/Motor Units	3,206	3,136	2%
Workers Compensation Payroll (per 100 of payroll)	0.407	.547	34%
General Liability (per Student FTE)	7.12	8.07	2%
Educators Legal (per FTE)	98.84	92.96	-6%

Experience Modification	.950	1.063	12%
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Property Coverage Comparison

Property and Boiler & Machinery	Chubb Expiring 2010 to 2011	Chubb Renewal 2011 to 2012
Limits		
Blanket Limit (Property Damage – Real & Personal Property)	\$301,000,000	\$348,000,000
Property Damage - Freedom Ring (17 th & Spring Garden)	Included under blanket limit	Included under Fine Arts Blanket Limit_ \$1,000,000
Blanket Business Interruption	\$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
Earth Movement (Annual Aggregate, for all coverages provided)	\$100,000,000	\$100,000,000
Flood (Annual Aggregate, for all coverages provided)	\$50,000,000	\$50,000,000
Photographic Equipment	\$65,660	\$65,660
Machinery Breakdown	Included	Included
430 – 440 N. 15 th Street Building	<i>\$4,500,000 Bldg Vacancy Clause Applies</i>	<i>\$4,500,000 Building \$100,000 Contents Vacancy Clause Applies</i>
Extensions of Coverage Sub-Limits		
Fire Fighting Materials and Expenses	Included in \$1,000,000 blanket limit	Included in \$1,000,000 blanket limit
Professional Fees	\$25,000	\$25,000
Expediting Expenses	Included in BI/EE limit	Included in BI/EE limit
Trees, Shrubs, Plants and Lawn limit	\$100,000	\$100,000
Pavements and Roadways	\$250,000	\$250,000
Land and Water Clean Up Expense (Annual Aggregate, for all coverages provided)	\$50,000	\$50,000
Installation Floater	\$50,000 any job site \$50,000 in transit	\$50,000 any job site \$50,000 in transit
Newly Acquired Property	\$2,500,000 180 Days	\$2,500,000 180 Days
Unnamed Locations Coverage	Included \$1,000,000 blanket limit	Included \$1,000,000 blanket limit

Property and Boiler & Machinery	Chubb Expiring 2010 to 2011	Chubb Renewal 2011 to 2012
Unnamed Locations World-Wide	N/A	N/A
Fine Arts	\$1,000,000	\$1,000,000
Accounts Receivable	\$1,000,000	\$1,000,000
Brands and Labels	Included in personal property	Included in personal property
Valuable Papers and Records	\$1,000,000	\$1,000,000
Electronic Data Processing, Data and Media	\$9,278,000	\$9,528,000
Demolition and Increased Cost of Construction <ul style="list-style-type: none"> • Undamaged Portion • Demolition • Compliance with the Law • Business Interruption 	\$5,000,000 \$10,000,000	\$5,000,000 \$10,000,000
Errors and Omissions	\$1,000,000	\$1,000,000
Transit Coverage	\$1,000,000	\$1,000,000
Non-Certified Act of Terrorism Coverage	N/A	N/A
Tenants Legal Liability and Expenses	Included in \$1,000,000 blanket limit	Included in \$1,000,000 blanket limit
Soft Cots	N/A On per project basis	N/A On per project basis
Research and Development	Included in \$1,000,000 blanket limit	Included in \$1,000,000 blanket limit
Research Animals	N/A Can be added by endorsement if needed	N/A Can be added by endorsement if needed
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
Business Interruption – Extensions of Coverage Sub-Limits		
Days of Ordinary Payroll	90 Days	90 Days
Days of Civil Authority	30 Days	30 Days
Off-Premises Service Interruption	\$2,500,000	\$2,500,000
Contingent Business Interruption	\$250,000	\$250,000
Ingress/Egress	\$500,000	\$500,000
Extended Period of Indemnity	Unlimited	Unlimited
Protection and Preservation of Property	Included in Loss Prevention Expense of \$15,000	Included in Loss Prevention Expense of \$15,000

Property and Boiler & Machinery	Chubb Expiring 2010 to 2011	Chubb Renewal 2011 to 2012
Protection and Preservation of Property	Included in Loss Prevention Expense of \$15,000	Included in Loss Prevention Expense of \$15,000
Deductibles:		
Earth Movement (per occurrence for each location for all coverages provided)	\$100,000	\$100,000
Flood (per occurrence for each location for all coverages provided)	\$100,000	\$100,000
Named Storm	N/A	N/A
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
Electronic Data Processing Equipment, Data and Media	24 Hours	24 Hours
Photographic Equipment	\$500	\$500
Extra Expense	\$0	\$0
All Other Losses	\$25,000	\$25,000
430-440 N. 15 th Street Building	N/A	\$50,000
"Green" Property Endorsement	added automatically on 7/26/08	added automatically on 7/26/08
Premium	\$231,605	\$201,758
Boiler and Machinery Coverage Part	Included	Included
Certified Act of Terrorism	included	Included
Non-Certified Act of Terrorism	N/A	N/A
Engineering Fee	Included	Included
Payment Terms	Quarterly	Quarterly

*Option –

With respect to the 430-440 N. 15th Street Building - \$100,000 deductible in lieu of the \$50,000 deductible would result in \$2,000 savings

General Liability Coverage Comparison

An important note – UE is offering a dividend to their renewing members this year, for the first time. CCP will be eligible for \$18,909.41 if you renew at least one line of coverage with UE.

General Liability	United Ed Expiring 2010 to 2011	United Ed Renewal 2011 to 2012
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		
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	Yes	Yes

General Liability	United Ed Expiring 2010 to 2011	United Ed Renewal 2011 to 2012
include as additional insured)		
Allied Health Services provided at student 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	Yes	Yes
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	\$105,498	\$109,356
Paid-In Surplus	\$0	\$0
Total Policy Cost	\$105,948	\$109,356
Payment Terms	Up Front	Up Front

Automobile Coverage Comparison

Business Automobile	PMA Expiring 2010 to 2011	PMA Renewal 2011 to 2012	Philadelphia Ins. Co. Renewal 2011-2012	Chubb. Renewal 2011-2012
Limits of Liability				
Combined Single Limit (BI & PD per Accident) – Symbol 1	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000

Business Automobile	PMA Expiring 2010 to 2011	PMA Renewal 2011 to 2012	Philadelphia Ins. Co. Renewal 2011-2012	Chubb. Renewal 2011-2012
Personal Injury Protection – Symbol 5	Statutory	Statutory	Statutory	Statutory
Added Personal Injury Protection – Symbol 5	Maximum	Maximum	Maximum	Maximum
Medical Expenses (per person) – Symbol 2	\$5,000	\$5,000	\$5,000	\$5,000
Uninsured Motorist – Symbol 6	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000
Underinsured Motorist – Symbol 6	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000
Garage Keepers Legal Liability	\$1,000,000 \$50,000 Vehicle Maximum	\$1,000,000 \$50,000 Vehicle Maximum	\$50,000	\$50,000
Physical Damage				
Comprehensive Deductible – Symbols 2, 8	\$500	\$500	\$500	\$1,000
Collision Deductible – Symbol 2, 8	\$500	\$500	\$1,000	\$1,000
Hired/Borrowed Car Physical Damage	\$50,000	\$50,000	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	\$250 each accident \$1,000 aggregate	\$250 each accident \$1,000 aggregate	\$500 each accident \$2,500 aggregate	\$500 each accident \$2,500 aggregate
Garage Keepers Legal Liability Collision Deductible	\$500	\$500	\$500	\$500
Additional Coverages/Extensions				
Rental Reimbursement Coverage (up to \$75 a day for up to 45 days, max \$1,500)	Yes	Yes	\$100 per day/30 days	\$30 per day/30 days
Additional and Combination First Party Benefits – \$277,500	Yes	Yes	Yes	Yes
Hired Autos Specified as covered autos you owned – CA9916	Yes	Yes	Yes	Yes
Broadened Pollution Liability Coverage	Yes	Yes	No	Yes
Drive Other Car Coverage –	Yes	Yes	Yes	Yes

Business Automobile	PMA Expiring 2010 to 2011	PMA Renewal 2011 to 2012	Philadelphia Ins. Co. Renewal 2011-2012	Chubb. Renewal 2011-2012
Broadened Coverage for Named Individuals (for all employees furnished a company vehicle and residents of their household) – Per List				
Employees as Insureds (include employee rentals in their name on company business)	Yes	Yes	Yes	Yes
Fellow Employee Exclusion Deleted for managers and above	Yes	Yes	Yes	Yes
Towing and Labor (\$50 per disablement) – Symbol 3	Yes	Yes	\$100 per disablement	Yes
Blanket Additional Insured Lessor	Yes	Yes	Yes	Yes
Unintentional Errors & Omissions	Yes	Yes	Yes	Yes
Broad Named Insured Wording	Yes	Yes	Yes	Yes
Broadened Notice of Occurrence	Yes	Yes	Yes	Yes
Broadened Knowledge of Occur.	Yes	Yes	Yes	Yes
60 Days Notice of Cancellation	Yes	Yes	Yes	Yes
Transfer Rights of Recovery Endorsement	Yes	Yes	Yes	Yes
Number of Power Units	5	6	6	6
Premium	\$16,028	\$18,816	\$16,508	\$17,415
Commission	0%	0%	0%	0%
Payment Terms	25% Down and 9 Equal Installment	25% Down and 9 Equal Installment	25% Down and 9 Equal Installment	25% Down and 9 Equal Installment

Workers Compensation Coverage Comparison

Workers' Compensation	PMA Expiring 2010 to 2011	PMA Renewal 2011 to 2012	Lackawanna Renewal 2011 to 2012
Limits of Liability			
Workers' Compensation	Statutory	Statutory	Statutory
Employer's Liability Each Accident	\$1,000,000	\$1,000,000	\$500,000
Employer's Liability Disease Aggregate	\$1,000,000	\$1,000,000	\$500,000
Employer's Liability Disease Each Employee	\$1,000,000	\$1,000,000	\$500,000
Coverages/Extensions			
Other State Insurance (applies in all states except Monopolistic States)	Yes	Yes	Only PA
Voluntary Compensation	Yes	Yes	Yes
Stop Gap Coverage	Yes	Yes	No
60 Days Notice of Cancellation / 10 for Nonpayment	Yes	Yes	Yes
PA Modification Factor	0.950	1.063	1.063
Payroll	\$75,000,000	\$77,500,000	\$77,500,000
Premium Information	Subject to Audit	Subject to Audit	Subject to Audit
Plan Type	Retention Plan	Guaranteed Cost	Guaranteed Cost
Retention Factor	.500	N/A	N/A
Minimum Factor	Retention x Tax Multiplier	N/A	N/A
Maximum	Discounted Premium	N/A	N/A
Loss Conversion Factor	1.100	N/A	N/A
Tax Multiplier	1.0350	N/A	N/A
Loss Ratio to Produce: Minimum	.0	N/A	N/A
Loss Ratio to Produce: Maximum	42.3	N/A	N/A
Total Pay-in Estimated Premium	\$305,324	\$422,665	\$346,625
Payment Terms	25% deposit and 9 equal installments	25% deposit and 9 equal installments	10 equal installments

Excess Liability Coverage Comparison

Excess Liability	United Ed Expiring 2010 to 2011	United Ed Renewal 2011 to 2012
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	\$76,597	\$76,622
Paid-In Surplus	\$0	\$0

Excess Liability	United Ed Expiring 2010 to 2011	United Ed Renewal 2011 to 2012
Total Policy Cost	\$76,597	\$76,622
Payment Terms	Up Front	Up Front

** Will need to add an additional excess premium to sit over the Lackawanna \$500,000
Employers Liability- \$1,000 or \$1,500 depending on the endorsement option*

Educators Legal Liability Coverage Comparison

Educators Legal Liability	Chartis 2010 to 2011	Chartis 2011 to 2012	Hiscox 2011 to 2012
Limits of Liability			
D&O and Not-for-Profit Organization	\$15,000,000	\$15,000,000	\$15,000,000
Crisis Management Fund for D&O	\$50,000	\$50,000	\$50,000
Employment Practices	\$15,000,000	\$15,000,000	\$15,000,000
Employed Lawyers	\$5,000,000	\$5,000,000	\$5,000,000
Policy Aggregate (Shared limit of Liability between D&O, EPL & Employed Lawyers)	\$15,000,000	\$15,000,000	\$15,000,000
Side A Excess Limit	N/A	\$500,000	Not Included
Self Insured Retention (per claim) (including defense cost)			
Non-Indemnifiable directors, trustees & officers	\$0	\$0	\$0
Crisis Management Event	\$0	\$0	\$0
Non-employment Discrimination claims (EPL coverage section)	\$75,000	\$75,000	\$75,000
Employed Lawyers coverage section	\$10,000	\$10,000	\$10,000
All other claims	\$75,000	\$75,000	\$75,000
Continuity Date : D&O and EPL			
	07/01/1998	07/01/1998	TBD
Continuity Date : Employed Lawyers			
	07/01/2007	07/01/2007	TBD
Defense Counsel Provisions			
	Chartis Counsel	Chartis Counsel	Approved Counsel
Duty to Defend	Optional Duty to Defend	Optional Duty to Defend	No Duty to Defend
Coverages/Extensions			
Defense Costs are included within the limit of liability	Yes	Yes	Yes
Directors & Officers Liability, Educational Errors & Omissions and Employment Practices Liability	Yes	Yes	Yes
Punitive Damages where	Yes – Included in	Yes – Included in Policy	Yes – Included

Educators Legal Liability	Chartis 2010 to 2011	Chartis 2011 to 2012	Hiscox 2011 to 2012
insurable by law	Policy Limit	Limit	in Policy Limit
60 days Post Policy Reporting Allowance	Yes	Yes	Yes
30 days Notice of Cancellation	Yes	Yes	Yes
Notable Exclusions			
Illegal or unjust profit	Yes	Yes	Yes
ERISA Liability	Yes	Yes	Yes
Insured vs. Insured	Yes	Yes – carve out for <input type="checkbox"/> Former Executives (3years) <input type="checkbox"/> Whistleblower	Yes
Professional Services (other than education or teaching and employed attorneys)	Yes	Yes	Yes
Bodily Injury, death, Mental Injury or Emotional Distress (Exception to Mental Injury of Emotional Distress arising from Wrongful Employment practices)	Yes	Yes	Yes
Property Damage or Destruction	Yes	Yes	Yes
Assault or Battery	Yes	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	Yes
Collective Bargaining	Yes	Yes	Yes
Outside Directorship (excepting those not-for-profit organizations)	Yes	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	Yes
Final Adjudication for all conduct	Yes	Yes	Yes

Educators Legal Liability	Chartis 2010 to 2011	Chartis 2011 to 2012	Hiscox 2011 to 2012
Exclusions			
Severability for all conduct Exclusions	Yes	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 positions imputed to the Institution	
Non-Rescindable	Yes	Yes	
Order of Payments	Yes	Yes	Yes
Settlement Opportunity End. D&O and EPL	70% carrier / 30% insured	80% carrier / 20% insured	80% carrier / 20% insured
Payment Plan	Up Front	Up Front	Up Front
Premium	\$103,048	\$93,316	\$72,211
Commission	15.5%	15.5%	0%
Net Premium	\$87,076	\$78,852	\$72,211

Crime Coverage Comparison

Crime Coverage	Chartis Expiring 2010 to 2011	Chartis Renewal 2011 to 2012	Hiscox Renewal 2011 to 2012
Limits of Liability (per occurrence)			
Employee Theft	\$4,000,000	\$4,000,000	\$4,000,000
Forgery or Alteration	\$4,000,000	\$4,000,000	\$4,000,000
Inside The Premises – Theft of Money and Securities	\$4,000,000	\$4,000,000	\$4,000,000
Inside The Premises – Robbery or Safe Burglary of Other Property	\$4,000,000	\$4,000,000	\$4,000,000
Outside The Premises	\$4,000,000	\$4,000,000	\$4,000,000
Computer Fraud	\$4,000,000	\$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	\$4,000,000
Credit, Debit or Charge Card Forgery	\$4,000,000	\$4,000,000	\$4,000,000
Client's Property		\$1,000,000	\$1,000,000
Deductibles (per occurrence)			
Each Loss	\$40,000	\$40,000	\$25,000
Coverages/Extensions			
Employee Benefit Plan included as Insured/ERISA Compliance (Omnibus wording)	Yes	Yes	Yes -\$500,000
Automatic Coverage for Newly Acquired Entities(up to 30 days)	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	Yes – 30 days
Loss will be covered up to one year after policy termination	Yes	Yes	Yes
60 days Notice of Cancellation	Yes	Yes	Yes
Premium	\$17,268	\$17,390	\$16,682
Commission	15.5%	15.5%	0%
Net Premium	\$14,591	\$14,695	\$16,682
Payment Terms	Up Front	Up Front	Up Front

Optional Quote:

- Hiscox - \$5,000,000 Limit / \$25,000 deductible - \$20,436
- One Beacon \$4,000,000/ \$25,000 deductible – 20,773

Student Blanket Prof. Liability Coverage Comparison

Student Blanket Professional Liability	CNA Expiring 2010 to 2011	CN A Renewal 2011 to 2012
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 \$25,000 aggregate

Student Blanket Professional Liability	CNA Expiring 2010 to 2011	CN A Renewal 2011 to 2012
	Up to \$500 per incident	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 \$1,000 per deposition for attorney's fees	Up to \$5,000 aggregate Up to \$1,000 per deposition for attorney's fees
Premium	\$9,387	\$8,521
Payment Terms	Prepaid	Prepaid

Security & Privacy Liability

Security & Privacy	Beazley Option 1 2011 to 2012	Beazley Option 2 2011 to 2012
Policy Form	Breach Response Form	Breach Response Form
Policy Type	Claims Made & Reported	Claims Made & Reported
Policy Limits - Policy Aggregate	\$1,000,000	\$2,000,000
Privacy and Security Liability	\$1,000,000	\$1,000,000
1 st Party Business Interruption	1B Only - \$1,000,000	2B Only - \$2,000,000
1 st Party Data Recovery	1B Only – Included In BI above	2B Only – Included In BI above
1 st Party Business Interruption Aggregate Sublimits:		
<ul style="list-style-type: none"> ▪ Hourly Sublimit ▪ Forensic Expense Limit ▪ Dependent Business Interruption 	\$100,000 \$100,000 \$100,000	\$100,000 \$100,000 \$100,000
Cyber Extortion	\$1,000,000	\$2,000,000
Sublimit – notification/Breach Response Serves	250,000 notified individuals	500,000 notified individuals
Sublimit – Identity	10,000 Fraud Resolution	10,000 Fraud Resolution

Security & Privacy	Beazley Option 1 2011 to 2012	Beazley Option 2 2011 to 2012
Restoration / credit monitoring	cases in the aggregate	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 \$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: 1A: \$25,000 1B: \$25,000 ▪ Security Breach (1st Party Data Protection) 1B: \$25,000 ▪ Security Breach (Business Interruption) 1B – Income Loss: \$25,000 1B – Extra Expense: \$25,000 ▪ Business Interruption Waiting Period: <ul style="list-style-type: none"> ○ 10 Hours 	<ul style="list-style-type: none"> ▪ \$50,000 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: 1A: \$50,000 1B: \$50,000 ▪ Security Breach (1st Party Data Protection) 1B: \$50,000 ▪ Security Breach (Business Interruption) 1B – Income Loss: \$50,000 1B – Extra Expense: \$50,000 ▪ Business Interruption Waiting Period: <ul style="list-style-type: none"> ○ 10 Hours
Retroactive Date	July 1, 2011	July 1, 2011
Premium	1A. \$20,645 1B \$24,288 (including 1 st Party Coverages)	2A \$33,032 2B \$38,861 (including 1 st Party Coverages)
Commission	22.5%	22.5%

Security & Privacy	Beazley Option 1 2011 to 2012	Beazley Option 2 2011 to 2012
Admitted	Admitted	Admitted
Exclusions		
Retroactive Date	Policy Inception	Policy Inception
Fraud	Will defend but if guilty upon final adjudication – Insured must reimburse Beazley for the Claims Expense	Will defend but if guilty upon final adjudication – Insured must reimburse Beazley for the Claims Expense
Unprotected Portable Computers and Media	Can be removed with confirmation that data is stored on portable computers and media is maintained in an encrypted format	Can be removed with confirmation that data is stored on portable computers and media is maintained in an encrypted format
Breach of Contract	Carve back for: <ul style="list-style-type: none"> ▪ Theft or loss of personally identifiable non- public information or 3rd party corporate data ▪ Under Media – misappropriation of ideas under an implied contract ▪ liability that would exist in absence of a contract 	Carve back for: <ul style="list-style-type: none"> ▪ Theft or loss of personally identifiable non- public information or 3rd party corporate data ▪ Under Media – misappropriation of ideas under an implied contract ▪ liability that would exist in absence of a contract
Breach of Warranty or Guarantee	Yes - Exclusion S4	Yes - Exclusion S4
Prior Notice Exclusion	Yes – Exclusion H2	Yes – Exclusion H2
Insured vs. Insured	Exclusion with 15% ownership threshold for entities. Exclusion O provides a Privacy carve back for employees	Exclusion with 15% ownership threshold for entities. Exclusion O provides a Privacy carve back for employees
Patent Infringement	Yes	Yes
Bodily Injury / Property Damage Exclusion	Absolute Exclusion – Bodily Injury is only excluding mental anguish /emotional distress arising from a physical injury	Absolute Exclusion – Bodily Injury is only excluding mental anguish /emotional distress arising from a physical injury
Covered Perils		
Media Liability	Insuring Agreement D	Insuring Agreement D
Cyber Extortion	Insuring Agreement F	Insuring Agreement F

Security & Privacy	Beazley Option 1 2011 to 2012	Beazley Option 2 2011 to 2012
	(Cyber Extortion Payment)	(Cyber Extortion Payment)
1 st Part Coverage (E-business Interruption and extra expense for recovery of service)	Provided under Option B	Provided under Option B
Invasion of Privacy A) Network Only B) Network and Non-NetWork C) Paper Documents	Both network and non-network coverage	Both network and non-network coverage
Lost records held by a 3 rd party on behalf of the insured	Yes	Yes
Loss of Personal as well as 3 rd Party Corporate Data	Yes	Yes
Records lost by an employee of the insured	Yes	Yes
Employee records as well as 3 rd Party PII	Yes	Yes
Forensic Expenses to determine privacy loss	Yes – subject to sublimits \$100,000	Yes – subject to sublimits \$100,000
Voluntary credit monitoring		
Regulatory Actions	Yes – Insuring Clause C	Yes – Insuring Clause C
Regulatory Fines and Penalties	Yes – Insuring Clause C	Yes – Insuring Clause C
Trademark Infringements	Yes – Under Media	Yes – Under Media
Copyright Infringements	Yes – Under Medi	Yes – Under Medi
Virus / Hacker – Security Liability	Yes – Insuring Clause A 2	Yes – Insuring Clause A 2
Punitive Damages	Yes – where insurable / most favorable venue	Yes – where insurable / most favorable venue
Libel & Slander	Yes – Under Media	Yes – Under Media
Covered Parties		
Directors & Officers	Yes	Yes
Employees	Yes	Yes
Subsidiaries	Yes	Yes
Corporate Entity	Yes	Yes
Independent Contractors	Yes – via Willis Endorsement	Yes – via Willis Endorsement
Definitions		
Definition of a Claim	Written demand for money or services	Written demand for money or services
Definition of Loss / Expense & Damages	Standard definition including regulatory fines	Standard definition including regulatory fines

Security & Privacy	Beazley Option 1 2011 to 2012	Beazley Option 2 2011 to 2012
	and penalties where insurable	and penalties where insurable
Other Coverage Provisions		
Severability of the application	No	No
Severability of the exclusions	Only the Fraud Exclusion	Only the Fraud Exclusion
Audit Provisions	No	No
Choice of Counsel	No	No
Duty to Defend	Yes	Yes
Freedom to settle claim under the retention	If under 50% of the retention	If under 50% of the retention
Notice of Claim Timing	ASAP with policy or 30 days post policy if discovered in final 30 days of policy period	ASAP with policy or 30 days post policy if discovered in final 30 days of policy period
Notice of Circumstance = Notice of Claim	Yes	Yes
Other Insurance Provision	Excess over any valid and collectible insurance	Excess over any valid and collectible insurance
Defense included within the limit	Yes	Yes
Noncancelable Policy	No	No
Consent to Settle / Hammer Clause	50 /50 Hammer Clause	50 /50 Hammer Clause
Extended Discovery	1 year – 100% 2 years – TBD 3 years - TBD	1 year – 100% 2 years – TBD 3 years - TBD
Bilateral Discovery	Yes	Yes
Coverage Territory	Worldwide	Worldwide

Loss Summary

Property

Carrier	Policy Period	Valuation Date	# Claims	Paid	Reserved	Total Incurred
Chubb	7/01/10-11	6/2/2011	1	\$ -	\$ 2,000	\$ 2,000
Chubb	7/01/09-10	6/2/2011	0	\$ -	\$ -	\$ -
Chubb	7/01/08-09	6/2/2011	0	\$ -	\$ -	\$ -
Affiliated FM	7/01/07-08	6/1/2010	0	\$ -	\$ -	\$ -
Affiliated FM	7/01/06-07	6/1/2010	0	\$ -	\$ -	\$ -

General Liability

Carrier	Policy Period	Valuation Date	# Claims	Paid	Reserved	Total Incurred
United Ed	7/01/10-11	6/2/2011	15	\$ -	\$ -	\$ -
United Ed	7/01/09-10	6/2/2011	20	\$ -	\$ -	\$ -
United Ed	7/01/08-09	6/2/2011	13	\$ -	\$ -	\$ -
United Ed	7/01/07-08	6/2/2011	8	\$ -	\$ -	\$ -
United Ed	7/01/06-07	6/2/2011	2	\$ 20,531	\$ 31,000	\$ 51,531

Automobile Liability

Carrier	Policy Period	Valuation Date	# Claims	Paid	Reserved	Total Incurred
PMA	7/01/10-11	4/30/2011	0	\$ -	\$ -	\$ -
PMA	7/01/09-10	4/30/2011	2	\$ 2,141	\$ -	\$ 2,141
PMA	7/01/08-09	4/30/2011	3	\$ 3,043	\$ -	\$ 3,043
PMA	7/01/07-08	4/30/2011	1	\$ 1,399	\$ -	\$ 1,399
PMA	7/01/06-07	4/30/2011	1	\$ 198	\$ -	\$ 198

Workers Compensation

Carrier	Policy Period	Valuation Date	# Claims	Paid	Reserved	Total Incurred
PMA	7/01/10-11	5/1/2011	25	\$ 45,626	\$ 29,010	\$ 74,635
PMA	7/01/09-10	5/1/2011	32	\$ 150,360	\$ 24,833	\$ 175,246
PMA	7/01/08-09	5/1/2011	34	\$ 167,170	\$ -	\$ 167,170
PMA	7/01/07-08	5/1/2011	29	\$ 389,053	\$ 19,524	\$ 408,580
PMA	7/01/06-07	5/1/2011	22	\$ 181,064	\$ -	\$ 181,064

Educators Legal Liability

Carrier	Policy Period	Valuation Date	# Claims	Paid	Reserved	Total Incurred
Chartis	7/01/10-11	4/30/2011	4	\$ -	\$ -	\$ -
Chartis	7/01/09-10	4/30/2011	2	\$ -	\$ -	\$ -
Chartis	7/01/08-09	4/30/2011	4	\$ -	\$ -	\$ -
Chartis	7/01/07-08	4/30/2011	5	\$ -	\$ -	\$ -
United Educators	7/01/06-07	6/2/2011	11	\$ -	\$ -	\$ -

A.M. Best Rating Company Rating Information

A.M. Best is the most widely recognized authority on the evaluation and rating of insurance companies based in part upon their financial strength and policyholders' surplus. The Best's rating for the companies we are including in this proposal are:

COMPANY NAME	RATING	FINANCIAL SIZE
ACE	A+	XV
Allied World Assurance Company	A	XV
CNA	A	XV
Chartis (Lexington)	A	XV
Chubb	A++	XV
Crum & Forster	A	XIII
Hanover	A	XIV
Hartford	A	XV
Hiscox	A	XI
Lackawanna	A	VIII
Liberty Mutual	A+	XIV
PMA	A	IX
One Beacon	A	XII
Safety National Casualty Corporation	A	X
Sentry	A+	XV
Seabright Insurance Company	A-	IX
Sparta	A-	IX
Travelers	A+	XV
United Educators	A	VIII
Zurich	A+	XV

As professional agents/brokers it has long been our established policy to make every effort to deal only with companies having a Best's Rating of A++, A+, A or A-, which are the four highest ratings available, and a minimum of \$50 million in Policyholders' Surplus. It must be noted that neither Willis of Pennsylvania, Inc. nor any affiliated company guarantees the financial solvency of any insurance carrier. The following list outlines the A.M. Best Company rating scale and associated descriptions.

Financial Strength Ratings

An A.M. Best's Financial Strength Rating is an opinion of an insurer's ability to meet its obligations to policyholders.

A.M BEST RATINGS

A++, A+	Superior	C++, C+	Marginal
A, A-	Excellent	C, C-	Weak
B++, B+	Very Good	D	Poor
B, B-	Good	E	Under Regulatory Supervision
		F	In Liquidation

Financial Size Categories

A.M. Best assigns each letter rated insurance company a Financial Size Category. This is designed to provide a convenient indicator of the size of a company in terms of its statutory surplus and related accounts.

FINANCIAL SIZE CATEGORIES (IN MILLIONS OF US DOLLARS)

Class I	Up to 1	Class IX	250 to 500
Class II	1 to 2	Class X	500 to 750
Class III	2 to 5	Class XI	750 to 1,000
Class IV	5 to 10	Class XII	1,000 to 1,250
Class V	10 to 25	Class XIII	1,250 to 1,500
Class VI	25 to 50	Class XIV	1,500 to 2,000
Class VII	50 to 100	Class XV	Greater than 2,000
Class VIII	100 to 250		