

**MEETING OF THE BUSINESS AFFAIRS COMMITTEE
OF THE BOARD OF TRUSTEES
Community College of Philadelphia
Wednesday, June 19, 2013 – 9:00 A.M.**

TO: Business Affairs Committee of the Board of Trustees
FROM: Thomas R. Hawk *TRH*
DATE: June 13, 2013
SUBJECT: Committee Meeting

AGENDA PUBLIC SESSION

A meeting of the Business Affairs Committee of the Board of Trustees will be held on **Wednesday, June 19, 2013 at 9:00 A.M. by teleconference. The conference bridge information is as follows:**

Conference DIAL-IN NUMBER: 1-888-675-6779
Conference PARTICIPANT PASSCODE: 2050590#

(1) 2013-14 Property and Casualty Insurance Renewal Program (Action Item):

Introduction

The College insurance program is reviewed annually prior to the July 1 insurance renewal. During the renewal strategy meeting held on March 1, 2013, it was agreed that the best approach would be for the College Broker, Willis, to market all of the College's insurance programs with the exception of property coverage. Property insurance was marketed in 2012-13 and placed with Affiliated FM. The goal in getting multiple premium quotes was to try to stabilize premiums while maintaining comprehensive coverage. This strategy was selected due to a slight hardening of the insurance market. Willis marketed the insurance program to twenty different carriers for the College's various lines of coverage. Attachment A contains a summary of current coverage, coverage limits, and deductible (retention) amounts. The following is an overview of the results of marketing the College's insurance program.

General Liability

The College's general liability (GL) coverage has been with United Educators (UE) for twelve years. Willis has opined that UE has the best GL policy form available in the higher education market offering the most comprehensive coverage. In addition to UE, Willis also approached Travelers, AIG, Hartford, Hanover and WRM. United Educators offered a renewal premium of \$153,279 which is \$13,042 higher

than the expiring rate (9.3%) with no change to the deductibles (\$25,000 each occurrence; \$100,000 annual aggregate). The College was again granted a 4% premium rate credit based upon certain risk management initiatives that were undertaken during the year. Furthermore, the College is entitled to a \$15,143 dividend from United Educators if at least one coverage line (GL or Umbrella) is renewed. This, in effect, makes the net cost to the College for fiscal year 2013-14 equal to \$138,136. United Educators is organized as a reciprocal risk retention group – owned by higher education members like CCP. This will be the third consecutive year that the College will receive a dividend. The 3-year aggregate dividend to the College totals \$53,805. Alternate leading education insurance carriers, WRM, Hartford and Travelers declined to quote due to their inability to offer competitive pricing. Hanover did not respond to the marketing effort. AIG provided an indication of a premium amount in the range of \$150,000 to \$160,000 with a \$50,000 deductible per occurrence.

Umbrella

The College's umbrella liability coverage (\$25 million for any one loss) has also been with United Educators for twelve years. This policy provides excess general liability, automobile liability, employers' liability, foreign liability insurance, and student medical malpractice insurance coverage. UE's policy form offers the most comprehensive coverage in the higher education market for umbrella/excess coverage according to Willis. 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 the same as the expiring premium. As with the general liability policy, the College was granted a 4 percent premium reduction based upon risk management initiatives that were undertaken by the College during the year. WRM, Travelers and Hartford declined to quote due to their inability to offer competitive pricing. Hanover did not respond to the marketing effort. AIG provided an indication of a premium amount in the range of \$100,000 to \$110,000.

Workers' Compensation

The College's workers' compensation coverage has been with Lackawanna for the past two years. They offered a renewal premium of \$353,666, an increase of 8.66% or \$27,946 over the expiring premium. The primary reason Lackawanna provided for this increase was the existence of three ongoing claims that originated in the 2011-12 policy year. Excluding these three claims, the College continues to have a relatively low claims experience and the College's experience modification factor decreased from .924 to .886. Highmark provided the most competitive pricing for coverage at a premium of \$333,135 which is \$7,415 above expiring or 2.3%. Locally, Lafayette College utilizes Highmark as their carrier for workers' compensation. The Human Resource Office, after having discussions with representatives of Highmark and with employees from Lafayette College, is comfortable moving this coverage to Highmark. While Highmark is located in Pittsburgh and does not have any other local education institutions as clients, it is the carrier for seven higher education institutions in Pennsylvania, including Westmoreland County Community College. Hartford and

Travelers declined to quote on this coverage. The other carriers provided pricing indications (MEMIC - \$450,000, Amerihealth - \$500,000, UMPC - \$437,000) that were much higher than Highmark. 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

Since the College had recently moved its property coverage to Affiliated FM as of the 2012-13 year, it was decided that this coverage would not be marketed if stable premiums were offered. Affiliated quoted a rate of \$168,621 or \$5,502 (3.4%) above expiring. This policy also provides \$7 million of business interruption insurance.

Educator Legal Liability (ELL)

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 \$81,079 that is 2.8% or \$2,227 higher than expiring. Willis also approached Chubb, Hiscox and CV Starr. Chubb declined to quote, Hiscox would only offer \$5 million of coverage, and CV Starr would only offer \$10 million of coverage at a rate of \$71,397.

Automobile

The automobile 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. The incumbent carrier, Philadelphia Insurance Co., offered a renewal rate of \$17,301 which is the same as the expiring rate. Hartford, Hanover and Travelers were also approached by Willis but these carriers would only provide automobile policies if they had another, more substantial line of business included, such as general liability or workers' compensation. WRM quoted but their premium was significantly higher than Philadelphia Insurance Co.

Student Medical Malpractice

This policy provides \$1 million in coverage to the College and to students and faculty related to their activities in a clinical setting. CNA, the current carrier, offered a quote of \$8,267 that is \$486 lower than the expiring premium. 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 provided a quote of \$11,269.

Crime

This policy provides the College with protection against first party (employee) theft and third party theft and fraud for a limit of \$4 million. Chartis, the incumbent carrier, offered a renewal rate of \$15,166 that is slightly above (\$465) the expiring rate. Travelers, one of the leading fidelity insurance carriers, offered a much more competitive rate of \$4,696. They offered this rate based upon their opinion that the College maintains strong internal controls to prevent employee theft.

International Liability

This policy provides foreign-based general liability, automobile liability, and workers compensation coverage as well as travel, medical and security assistance services for faculty and staff traveling abroad. This policy was last marketed for the 2012-13 fiscal year and a three-year policy was purchased from AIG. This policy also includes kidnap and extortion coverage. The annual cost for this coverage is \$2,851.

Security and Privacy (Cyber Insurance)

The College first secured this line of coverage for the 2011-12 fiscal year. This insurance offers protection to the College if there are data security breaches or compromises of student and/or employee "private" information (as determined by federal and state jurisdiction). The carrier will provide forensic and legal assistance from a panel of experts to help determine the extent of the breach and assist the College to undertake the steps required to comply with applicable laws, including 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. College benefits include protection for data recovery and business interruption, extortion threats and regulatory defense and penalties. The policy also protects the College against third party legal action for damages arising from the alleged breach (including defense costs). The market for this type of coverage continues to expand and this year Willis approached CNA, AIG and ACE in addition to Beazley, the incumbent. The renewal quote received from Beazley, is \$19,956 the same as expiring. The other carriers all submitted quotes with AIG being the lowest at \$17,325, which represents a \$2,631 (13.2%) reduction from the expiring rate. In addition, AIG's policy, unlike Beazley's, does not contain an exclusion related to portable devices and data that is not encrypted.

Broker Fee

The annual fee for 2013-14 is \$50,000, the same as last year, in accordance with the three-year agreement with Willis entered into in 2012-13.

Recommendation

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

Coverage	Recommended 2013-14 Carrier	Renewal (2013-14) Premium	Expiring (2012-13) Premium
General Liability (\$1M)	United Educators	\$153,279	\$140,237
Umbrella (\$25M)	United Educators	82,076	82,076
Workers' Compensation	Highmark	333,135	325,720
Property	Affiliated FM	168,621	163,119
Educators Legal Liability (\$15M)	Chartis	81,079	78,852
Automobile	Philadelphia Insurance Co.	17,301	17,302
Student Medical Professional Liability (\$1M)	CNA	8,267	8,753
Clinic Medical Liability (\$1M)	CNA	2,500	N/A
Crime (\$4M)	Travelers	4,696	15,166
International Liability (\$1M)	AIG	2,851	2,851
Security & Privacy (\$1M)	AIG	17,325	19,956
TOTAL INSURANCE PREMIUMS		\$871,130	\$854,032
Broker Fee	Willis	\$ 50,000	\$ 50,000

Committee recommendation to the full Board of the above 2013-14 insurance program with a total cost, including broker fee, of \$921,130 is recommended.

(2) **Garage RFP (Action Item):**

The College issued an RFP on March 1, 2013 for the management of the College's main parking garage. Although the current operator has provided satisfactory services to the College, College staff decided it was in the College's best interest to undertake an RFP process to see if a change in managers was desirable. Major goals for this change in garage managers are to enhance revenues, have an operator take more ownership of garage maintenance, and offer improved customer service. Attachment B contains an overview of the RFP process and a summary of the RFP findings which support the following recommendation.

Staff recommend entering into a three year management contract with LAZ Parking for an annual management fee of \$18,000 effective August 26, 2013.

(3) Next Meeting Date

The next regularly scheduled meeting of the Committee will occur on Wednesday, September 25, 2013 at 9:00 A.M. in the College's Isadore A. Shrager Boardroom, M2-1.

TRH/lm

Attachments

c: Mr. Matthew Bergheiser
Dr. Stephen M. Curtis
Ms. Laura Harman
Ms. Marsia Henley
Mr. James P. Spiewak
Jill Garfinkle Weitz, Esq.

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ATTACHMENT A

**SUMMARY 2013-14 PROPERTY AND CASUALTY INSURANCE
PROGRAM COVERAGE LIMITS AND DEDUCTIBLE AMOUNTS**

Property Coverage Comparison

Property and Boiler & Machinery	Affiliated FM Expiring 2012 to 2013	Affiliated FM Renewal 2013 to 2014
Limits		
Blanket Limit (Property Damage – Real & Personal Property)	\$357,714,986	\$356,197,286
Sub-Limits		
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	\$5,000,000	\$5,000,000
Earth Movement (Annual Aggregate, for all coverages provided)	\$100,000,000	\$100,000,000
Flood (Annual Aggregate, for all coverages provided)	\$50,000,000	\$100,000,000
Machinery Breakdown	Included	Included
430 – 440 N. 15 th Street Building	<i>\$4,500,000 Building Vacancy Clause Applies</i>	<i>\$4,500,000 Building Vacancy Clause Applies</i>
Extensions of Coverage Sub-Limits		
Fire Fighting Materials and Expenses	\$100,000	\$100,000
Professional Fees	\$100,000	\$100,000
Expediting Expenses	\$250,000	\$250,000
Trees, Shrubs, Plants and Lawn limit	\$100,000	\$100,000
Pavements and Roadways	\$250,000	\$1,000,000
Land and Water Clean Up Expense (Annual Aggregate, for all coverages provided)	\$50,000	\$50,000
Installation Floater	\$250,000	\$250,000
Newly Acquired Property	\$2,500,000	\$2,500,000
Unnamed Locations Coverage	\$2,500,000	\$2,500,000
Unnamed Locations World-Wide	\$1,000,000	\$1,000,000
Fine Arts	\$1,500,000	\$1,500,000
Accounts Receivable	\$1,000,000	\$1,000,000
Valuable Papers and Records	\$1,000,000	\$1,000,000
Library Books	\$5,000,000 not to exceed \$100 per book	\$5,000,000 not to exceed \$100 per book
Electronic Data Processing, Data and Media	\$3,000,000	\$3,000,000
Demolition and Increased Cost of Construction		
• Undamaged Portion	Policy Limit \$10,000,000	Policy Limit \$10,000,000

Property and Boiler & Machinery	Affiliated FM Expiring 2012 to 2013	Affiliated FM Renewal 2013 to 2014
<ul style="list-style-type: none"> • Demolition • Compliance with the Law 	Included in Demolition Included in Demolition	Included in Demolition Included in Demolition
Business Interruption		
Errors and Omissions	\$1,000,000	\$1,000,000
Transit Coverage	\$1,000,000	\$1,000,000
Tenants Legal Liability and Expenses	\$500,000	\$500,000
Soft Costs	\$100,000	\$100,000
Research and Development	Included	Included
Research Animals	\$250,000 not to exceed \$1,000 per animal	\$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)	\$1,000,000	\$1,000,000
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	\$500,000	\$500,000
Ingress/Egress	\$500,000	\$1,000,000
Extended Period of Indemnity	365 days	365 days
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
Off-Premises Service Interruption Qualifying Period	24 Hours	24 Hours
All Other Losses	\$25,000	\$25,000
430-440 N. 15 th Street Building	\$50,000	\$50,000
Premium	\$171,905	\$180,189
Certified Act of Terrorism	\$10,000	\$10,000
Engineering Fee	\$8,500	\$8,500
Commission	15%-minus engineering fee	15% minus engineering fee
Net Commission	\$163,119	\$168,621
Payment Terms	Upfront	Upfront

General Liability Coverage Comparison

An important note – UE is offering a dividend to their renewing members this year. CCP will be eligible for \$15,143.77 if you renew at least one line of coverage with UE.

General Liability	United Ed Expiring 2012 to 2013	United Ed Renewal 2013 to 2014
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	\$25,000	\$25,000
Annual Aggregate	\$100,000	\$100,000
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 infirmaries are included if the services are	Yes	Yes

General Liability	United Ed Expiring 2012 to 2013	United Ed Renewal 2013 to 2014
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	\$146,080	\$159,666
RMPC Credit	(\$5,843)	(\$6,387)
Total Policy Cost	\$140,237	\$153,279
Commission	0%	0%
Payment Terms	Up Front	Upfront

Automobile Coverage Comparison

Business Automobile	Philadelphia Ins. Co. Expiring 2012-2013	Philadelphia Ins. Co. Renewal 2013-2014
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

Business Automobile	Philadelphia Ins. Co. Expiring 2012-2013	Philadelphia Ins. Co. Renewal 2013-2014
60 Days Notice of Cancellation	Yes	Yes
Transfer Rights of Recovery Endorsement	Yes	Yes
Number of Power Units	6	6
Premium	\$17,302	\$17,301
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 2012 to 2013	Lackawanna Renewal 2013 to 2014	Highmark Renewal 2013 to 2014
Limits of Liability			
Workers' Compensation	Statutory	Statutory	Statutory
Employer's Liability Each Accident	\$500,000	\$500,000	\$500,000
Employer's Liability Disease Aggregate	\$500,000	\$500,000	\$500,000
Employer's Liability Disease Each Employee	\$500,000	\$500,000	\$500,000
Coverages/Extensions			
Other State Insurance (applies in all states except Monopolistic States)	Only PA	Only PA	Only PA but can write in MD and NJ on an incidental basis
Voluntary Compensation	Yes	Yes	
Stop Gap Coverage	No	No	
60 Days Notice of Cancellation / 10 for Nonpayment	Yes	Yes	
PA Modification Factor	.924	.886	.886
Payroll	\$77,125,000	\$78,480,00	\$78,480,000
Premium Information	Subject to Audit	Subject to Audit	Subject to Audit
Plan Type	Guaranteed Cost	Guaranteed Cost	Guaranteed Cost
Premium	\$325,720	\$353,666	\$333,135
Commission	0%	0%	0%
Net Commission	\$325,720	\$353,666	\$333,135
Payment Terms	Annual	Annual	10 Payments-10% Deposit w/ balance in 9 equal monthly payments

Excess Liability Coverage Comparison

Excess Liability	United Ed Expiring 2012 to 2013	United Ed Renewal 2013 to 2014
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	\$85,486	\$85,496
RMPC Credit	(\$3,420)	(\$3,420)
Total Policy Cost	\$82,076	\$82,076
Payment Terms	Up Front	Upfront

Educators Legal Liability Coverage

Educators Legal Liability	AIG Expiring 2012 to 2013	AIG Renewal 2013 to 2014
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 ¹	\$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		
	AIG Counsel	AIG 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

Educators Legal Liability	AIG Expiring 2012 to 2013	AIG Renewal 2013 to 2014
ERISA Liability	Yes	Yes
Insured vs. Insured	Yes	Yes
Professional Services (other than education or teaching and employed attorneys)	Yes	Yes
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
Moonlighting Exclusion (Employed Lawyers Section)	No	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
Claim Definition Amended – Delete EEOC ²	Yes	Yes

Educators Legal Liability	AIG Expiring 2012 to 2013	AIG Renewal 2013 to 2014
Payment Plan	Up Front	Upfront
Premium	\$93,316	\$95,951
Commission	15.5%	15.5%
Net Premium	\$78,852	\$81,079

Crime Coverage Comparison

Crime Coverage	AIG Expiring 2012 to 2013	AIG Renewal 2013 to 2014	Travelers Renewal 2013 to 2014
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	Included above
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	\$4,000,000
Funds Transfer Fraud	\$4,000,000	\$4,000,000	\$4,000,000
Credit, Debit or Charge Card Forgery	\$1,000,000	\$1,000,000	Included in Fraud
Client's Property	\$1,000,000	\$1,000,000	n/a see tenants property
Claims expense	n/a	n/a	\$50,000
Deductibles (per occurrence)			
Each Loss	\$40,000	\$40,000	\$40,000
Except Client Property	\$10,000	\$10,000	n/a
Claims expense			\$0
Coverages/Extensions			
Employee Benefit Plan included as Insured/ERISA Compliance (Omnibus wording)	Yes	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	Yes
Loss will be covered up to one year after policy termination	Yes	Yes	Yes
60 days Notice of Cancellation	Yes	Yes	Yes
Protected Information Exclusion	No	Yes	No
Indirect Or Consequential Loss Exclusion	No	Yes	Yes
Tenant's Property Endorsement	No	No	\$1,000,000 Limit Retention-\$10,000
Premium	\$17,397	\$17,948	\$6,060
Commission	15.5%	15.5%	22.5%
Net Premium	\$14,701	\$15,166	\$4,696
Payment Terms	Up Front	Upfront	Upfront

Student Blanket Prof. Liab. Coverage Comparison

Student Blanket Professional Liability	CNA Expiring 2012 to 2013	CNA Renewal 2013 to 2014
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

Student Blanket Professional Liability	CNA Expiring 2012 to 2013	CN A Renewal 2013 to 2014
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	828	782
Premium	\$8,753	\$8,267
Willis Commission	0%	0%
HPSO Commission	40%	40%
Payment Terms	Prepaid	Prepaid

Security & Privacy Liability

• Security & Privacy	Beazley Expiring 2012-13	Beazley Renewal 2013-14	AIG Renewal 2013-14	ACE Renewal 2013-14
Limits of Liability				
Policy Type	Claims Made & Reported	Claims Made & Reported	Claims Made & Reported	Claims Made & Reported
Policy Aggregate	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000
Security & Privacy Liability				
• Per Claim				\$1,000,000
• Annual Aggregate	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000
Regulatory Compliance	\$1,000,000 Regulatory Defense	\$500,000 Regulatory Defense	\$1,000,000	\$1,000,000 Regulatory Proceedings
PCI Fines and Penalties	\$250,000 *Subject to a \$10,000 retention	\$250,000 *Subject to a \$25,000 retention		
Security and Privacy Retention	\$25,000 Each Claim	\$25,000 Each Claim	\$25,000	\$25,000
Data Breach Expenses:	<i>Privacy Breach Services</i>	<i>Privacy Breach Services</i>	<i>Event Management Insurance</i>	<i>Data Breach Fund</i>
	Privacy Breach Services • 250,000 – aggregate number of notified	Privacy Breach Services • 250,000 – aggregate number of notified individuals – subject to a	Event Management Insurance Aggregate: \$250,000	Data Breach Fund – Aggregate: \$500,000 Expenses related to

• Security & Privacy	Beazley Expiring 2012-13	Beazley Renewal 2013-14	AIG Renewal 2013-14	ACE Renewal 2013-14
	individuals – subject to a minimum of 250 affected Persons <ul style="list-style-type: none"> • 10,000 Fraud Cases in the Aggregate - Identity Restoration/ Credit Monitoring • Legal Forensic Expenses - \$250,000 • Foreign Notifications- \$100,000 	minimum of 250 affected Persons <ul style="list-style-type: none"> • Legal Forensic Expenses - \$250,000 • Foreign Notifications- \$100,000 	\$250,000 (for 1,2,5,6 and 7) AND 250,000 individuals – Subject to a minimum affected persons of 250 (for 3 and 4) <ol style="list-style-type: none"> 1. Forensic Investigation 2. Public Relations 3. Notification Expenses 4. Credit Monitoring Services/ Identity Theft Assistance 5. Other Services (upon approval) 6. To Restored, Recreate and Recollect Electronic Data 7. To Determine if Electronic Data can be restored, recreated or recollected 	breach (including regulatory s use of breach Privacy Regulations firm, retaining services of a ce, retaining the services of a port / Crisis Communication cation service to voluntarily s solely to determine rights under a contract ces of a licensed investigator list to provide one year of on g services storations services
Data Breach Expense Retentions:	\$10,000 combined , \$5,000 for legal services (which is part of and not in addition to the combined retention)	\$10,000 combined , \$5,000 for legal services (which is part of and not in addition to the combined retention)	\$10,000	\$10,000 Each Claim

• Security & Privacy	Beazley Expiring 2012-13	Beazley Renewal 2013-14	AIG Renewal 2013-14	ACE Renewal 2013-14
Crisis Management & Public Relations Insurance	\$50,000	\$50,000	\$50,000	Included in Data Breach Fund
<i>Crisis Management Retention</i>	\$2,500	\$2,500	\$0	
Cyber Extortion Insurance	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000
<i>Cyber Extortion Retention</i>	\$25,000 Each Extortion Threat	\$25,000 Each Extortion Threat	\$10,000	\$25,000
Media Liability				
<i>Media Retention</i>				
1st Party Business Interruption				
1st Party Business Interruption	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000
1st Party Data Recovery				Not Included
1st 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		
1st Party Business Interruption Retentions:				
• Waiting Period	10 Hours	10 Hours	10 Hours	10 Hours
• Retention	• Income Loss -	• Income Loss -	\$25,000 Each Claim	\$25,000 Each Claim

• Security & Privacy	Beazley Expiring 2012-13	Beazley Renewal 2013-14	AIG Renewal 2013-14	ACE Renewal 2013-14
	\$25,000 • Extra Expense Loss - \$25,000	\$25,000 • Extra Expense Loss - \$25,000		
Retroactive & Continuity Date	7/1/11	7/1/11	7/1/11	7/1/11
Notable Exclusions				
PCI Compliance Exclusion	No	No	No	No
Encryption Exclusion	YES	YES	No	No
False Claims Exclusion				
Payment Term:	Up Front	Up Front	Up Front	Up Front
Commission	22.5%	22.5%	0%	0%
Premium:	\$25,750	\$25,750	\$17,325	\$17,784
Commission Amount	(\$5,794)	(\$5,794)	(\$0)	\$214 TRIA / Optional
Net Premium	\$19,956	\$19,956	\$17,325	\$0
				\$17,998

Options:

AIG:

Option 2 – Includes Media Liability for \$1M - \$20,952

Option 3 – Does not include Media Liability coverage – increases all of the \$1M Limits to \$2M – Retentions stay the same – Event Management stays the same - \$24,327

Option 4 – Includes Media Liability for \$2M and all other Limits to \$2M Retentions stay the same – Event Management stays the same - \$31,817

ACE:

Option 2 – Increases the liability limits to \$2M / Business interruption and Digital Asset stay at \$1M – Data Breach Fund up to \$1M – retention stay the same - \$29,920

Option 3 – Increases the liability limits to \$3M / Business interruption and Digital Asset stay at \$1M – Data Breach Fund up to \$1M – Third Party Liability retentions increase to \$5K - \$35,578

ATTACHMENT B

OVERVIEW OF GARAGE RFP PROCESS

SUMMARY OF RFP FINDINGS

Recommendation for Main Garage Contractor

The College's Main Garage has been managed by Park-It, Inc. since its opening in March, 1986. Although Park-It has provided satisfactory services to the College over the years, College staff decided to conduct a bid process in order to consider other operators. Goals of the College are to enhance revenues, have an operator take more ownership of garage maintenance, and offer improved customer service.

The proposal review process was undertaken by a staff committee consisting of Tom Hawk (VP for Planning & Finance), Jim Spiewak (AVP for Budgets and Financial Services), Marsia Henley (Purchasing Manager), Laura Harman (Auxiliary Services Manager) and Harry Moore (AVP Facilities and Construction). The Committee collectively created the RFP which was issued on March 1, 2013 to seventeen parking firms who operate garages in the Philadelphia metro area. A mandatory pre-proposal meeting was held on March 11, 2013 in which ten firms participated.

Proposals were received by the April 22 deadline from Towne Park, Park America, Inc., Standard Parking Corporation, ABM Parking Services, Impark and LAZ Parking. The current operator did not submit a bid. The Committee reviewed the proposals and issued interview invitations to ABM, Impark and LAZ, whose proposals were deemed the best. Finalists were selected based upon the following criteria: completeness of submitted proposal, experience with similar sized parking operations, familiarity with Data Park (access and payment systems) equipment, quality of proposed customer services, financial controls, financial reporting, management fee, experience of proposed site manager, opportunities for M/W/DBE firm participation within the contract, consideration of current staff for employment, staffing plan for garage operation, and garage employee compensation levels.

Based upon in-depth interviews, LAZ and Impark were determined to be the strongest candidates. Reference checks were performed for both contractors and unannounced site visits were made to Temple Medical Center and Thomas Jefferson Medical Center operated respectively by Impark and LAZ Parking. The reference checks were uniformly positive for both firms and the site visits did not reveal any negative aspects in either firm's operations.

Although both candidates had impressive proposals and presentations, managed similar-type facilities, recognized the importance of customer service, proposed experienced site managers and had positive references; the Committee felt that a few factors made LAZ a slightly better choice.

Several of LAZ's Philadelphia facilities utilize the same parking/revenue system, DataPark, as is installed at the College's facility. This system knowledge should be an advantage as the College moves to enable parking fee payments to be made *via* the College's one-card (Colonial Card) and may result in less system's maintenance costs. The management fee of \$18,000 per year proposed by LAZ is less than the \$27,000 proposed by ImPark. Their fee will remain the same over the length of the contract

whereas ImPark's fee would increase by 3% per year. LAZ also has a full service garage maintenance department with whom the College may contract to provide assistance to the College's Facilities Department during emergencies related to the garage facility. LAZ also identified four M/W/DBE firms that they would use to service the College account as required (janitorial supplies, painting, snow removal/power-washing, cleaning service).

For these reasons, staff recommend a three-year contract with two option years be awarded to LAZ Parking with a commencement date of August 26, 2013.