

# **Bushue HR, Inc.**

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*An Outsourced Risk Management Company Focusing on Human Resources, Insurance,  
Background Screening and Fingerprinting*

January 28, 2019

Pana CUSD #8  
14 E. Main  
Pana, IL. 62557  
Attention: Mr. Jason Bauer

Dear Mr. Bauer,

We would like to take this opportunity to thank the Board of Education and Administration for allowing our firm the opportunity to provide services for Pana CUSD #8. Bushue HR, Inc. is an Outsourced Risk Management Company focusing on Human Resources, Risk Management, Insurance, and Background Screening & Fingerprinting services for School Districts throughout the State of Illinois.

The attached summary illustrates coverages for all Insurance Carriers/Agents presenting proposals. The first column of each page is the expiring insurance coverage for the District. The second column is the renewal coverage as presented by the current Insurance Carrier and Agent. The subsequent columns denote the agency name submitting the bid at the top, as well as the Insurance Carrier. In total, we had eight (8) Agents contact us regarding an interest in bidding on the District. We received proposals back from five (5) of those Agents. Those Insurance Agents are listed below.

1. Ramza Insurance Group – Craig Ramza Jr., Streator, IL.
2. USI Insurance Services – James Nelson, Bloomington, MN.
3. Forsyth Insurance Group – Bob Valenti, Springfield, IL. (No Proposal Submitted)
4. Arthur J. Gallagher – Jacob Shasteen, Decatur, IL.
5. Scholastic Risk Management Services, Inc. – Robert Pegg, Chicago, IL.
6. Warma Witter Kreisler & Associates – Mike Baltz, O’Fallon, IL. (No Proposal Submitted)
7. Dimond Bros. Insurance – Dan McNeely, Taylorville, IL. (No Proposal Submitted)
8. Lee O’Keefe Insurance Agency – Cheri Plummer, Springfield, IL.

## **Notes about the proposals:**

- The Blanket Limit and Statement of Values (SOV) for the Property have been reviewed with Administration, and the values have been increased to better reflect Replacement Cost Values. The Blanket Limit has been increased from \$63,281,624 to \$65,180,073.
- Under the Inland Marine, the value for the Electronic Data Processing (EDP) Equipment has been increased from \$350,000 to \$375,000; per the District’s request.
- The Worker’s Compensation payrolls have been increased for the renewal, per the District’s request. The 8868 Class Code (Colleges or Schools, Teachers) payroll has been increased from \$5,771,038 to \$5,944,169; the 7380 Class Code (Drivers, Chauffeurs, & Their Helpers) payroll has been increased from \$404,555 to \$416,692; and the 9101 Class Code (All Other Employees) payroll has been increased from \$872,741 to \$898,923.
- The Worker’s Compensation rates have been modified for the renewal.
- The Experience Modification Rating has been increased from a 0.88 in 2018 to a 0.93 for 2019. The standard Experience Modification Rating is 1.00.

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- Alternative Options were quoted and analyzed with Administration, as a part of the bidding process.

We evaluated all Package proposals along with evaluating all individual proposals to see what options would be the most advantageous for the Board of Education to consider. After reviewing and evaluating all options, the Package coverage through Prairie State Insurance Cooperative (PSIC) and the Worker's Compensation coverage through State National would be the lowest proposal. This proposal reflects a savings of \$66,719; which is 32.69% less than the expiring.

The second lowest proposal is the Package renewal through Wright Specialty Insurance (WSI) and the Worker's Compensation through State National. This proposal matches the current coverages that are in place. This proposal reflects a savings of \$55,289; which is 27.09% less than the expiring. WSI provided a proposal to include Cyber Liability at a Limit of \$1,000,000; for an additional premium \$3,934.

### **Comparison of Coverages between WSI, State National, and PSIC:**

- The District carries a \$2,500 Property Deductible Per Occurrence through WSI. PSIC has a set Property Deductible Per Occurrence of \$1,000.
- The District carries a \$10,000,000 Earthquake Coverage Limit with a 10% Deductible Per Occurrence through WSI. PSIC provides a Pooled Limit of \$76,000,000 in Earthquake Coverage with a \$1,000 Deductible Per Occurrence.
- The District carries a \$100,000 Data Compromise Limit with a \$1,000 Deductible Per Occurrence through WSI. PSIC provides a \$1,000,000 Limit with a \$2,500 Deductible Per Occurrence.
- The District carries a \$10,000,000 Flood Coverage Limit with a \$25,000 Deductible Per Occurrence through WSI. PSIC provides a Pooled Limit of \$61,000,000 in Flood Coverage with a \$1,000 Deductible Per Occurrence.
- The District carries a \$500,000 Time Element (Extra Expense) Limit through. PSIC provides a Limit of \$1,000,000.
- The District carries General Liability Aggregate Limits of \$2,000,000 with Occurrence Limits of \$1,000,000. PSIC provides the Aggregate Limits at \$4,000,000 with the Occurrence Limits at \$2,000,000.
- The District carries a \$100,000 Fire Damage Limit under the General Liability Coverage; whereas, PSIC provides the coverage at a Limit of \$500,000.
- The District carries a \$300,000 Adverse Event Response Limit. PSIC provides a Limit of \$3,000,000.
- The District carries the Employee Dishonesty Limit and Computer Fraud Limit at \$100,000 with a \$500 Deductible Per Occurrence. PSIC provides the coverage Limits at \$1,000,000 with a \$1,000 Deductible Per Occurrence.
- WSI quoted the Full Blanket Limit for the Boiler and Machinery Coverage, whereas PSIC quoted the program Limit of \$250,000,000.
- The District carries a \$500 Auto Comprehensive and Collision Deductible Per Occurrence; whereas PSIC offers their minimum Deductibles Per Occurrence of \$1,000 for Auto Comprehensive and Collision.

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- The District carries an Umbrella Aggregate Limit of \$10,000,000; whereas PSIC provides the Umbrella Aggregate Limit at \$18,000,000.
- The District carries the Worker's Compensation Employers Liability Limits at \$1,000,000; whereas PSIC provides the Limits at \$2,000,000.
- The District carries the School Board Legal Liability (SBLL) Aggregate Limit at \$2,000,000 and the Occurrence Limit at \$1,000,000. PSIC provides the SBLL Aggregate Limit at \$4,000,000 and the Occurrence Limit at \$2,000,000.
- The District carries the SBLL and the Employment Practices Liability Insurance (EPLI) Deductibles Per Occurrence at \$2,500. PSIC is unable to offer the Deductibles Per Occurrence at \$2,500; therefore, the proposal reflects their minimum SBLL and EPLI Deductibles Per Occurrence of \$10,000.
- The District carries the Non-Monetary Defense Expense Limit at \$100,000 with a \$2,500 Deductible Per Occurrence; whereas, PSIC provides the Limit at \$500,000 with a \$10,000 Deductible Per Occurrence.
- The District carries the SBLL coverage with no Retroactive Date; whereas, PSIC is unable to offer the coverage with Full Prior Acts. Therefore, PSIC provides their set Retroactive Date of July 1, 2006.
- WSI has been in the school insurance market many years, they appear to be financially stable and have a good history of servicing claims.
- PSIC has a common effective date of July 1<sup>st</sup>. If accepted, the policy would be written on a term of February 16, 2019 through July 1, 2019; for a pro-rated premium of \$33,006 for the Package coverages and \$27,777 for the Worker's Compensation coverage. PSIC will re-rate the District's coverages for the July 1, 2019 through July 1, 2020 policy term.
- Under the PSIC Program, the District has a three (3)-year commitment to the program, with no rate/premium guarantee after the first year.
- PSIC includes Pollution Liability, Blanket Student Accident, and Catastrophic Student Accident within the program.
- PSIC carriers are all "A" rated or better.

We appreciate the opportunity to serve the District. If you have any questions, please feel free to contact our office.

Respectfully,



Tyler J. Ervin  
Client Program Manager, Bushue HR, Inc.

VSS

**Pana CUSD #8 - Renewal Date: 02/16/2019**  
Totals

Insurance Agency Name	Ramza Ins. Group / USI		Ins. Services		Ramza Ins. Group		Arthur J. Gallagher		Lee/O'Keefe Ins.	
	Insurance Carrier Name	Wright Spec. Ins. / Berkshire Hathaway	Wright Spec. Ins. / Berkshire Hathaway	Renewal	Wright Spec. Ins. / State National	Liberty Mutual	Liberty Mutual / State National	PSIC	PSIC / State National	
Total Property Premium	47,323.00	40,263.00	40,263.00	12,982.00	40,263.00	14,147.00	46,743.00	37,241.00	37,241.00	
Total Liability Premium	14,632.00	12,982.00	12,982.00	662.00	12,982.00	495.00	14,147.00	1,463.00	1,463.00	
Total Crime Premium	662.00	662.00	662.00	3,547.00	662.00	Included	495.00	Included	Included	
Total Boiler & Machinery Premium	3,445.00	3,547.00	3,547.00	7,354.00	3,547.00	5,979.00	Included	1,554.00	1,554.00	
Total Inland Marine Premium	7,237.00	7,354.00	7,354.00	16,086.00	7,354.00	21,214.00	5,979.00	Included	Included	
Commercial Auto	20,589.00	16,086.00	16,086.00	10,671.00	16,086.00	9,805.00	21,214.00	Included	Included	
Umbrella	10,969.00	10,671.00	10,671.00	50,833.00	10,671.00	9,805.00	9,805.00	2,399.00	2,399.00	
Worker's Compensation	92,164.00	81,980.00	81,980.00	6,435.00	50,833.00	58,601.00	50,833.00	72,306.00	50,833.00	
School Board Legal Liability	7,101.00	6,435.00	6,435.00	Included	Included	Included	Included	Included	Included	
Terrorism Coverage (All Lines)	Included	Included	Included	Included	Included	Included	Included	Included	Included	
PSIC Loss Fund and Fees	-	-	-	-	-	-	-	43,913.00	43,913.00	
Total Premium	\$204,122.00	\$179,980.00	\$148,833.00	\$24,142.00	\$156,984.00	\$149,216.00	\$158,876.00	\$137,403.00	\$137,403.00	
Savings				-11.83%	-27.09%	-23.09%	-26.90%	-22.17%	-32.69%	
Percentage of Increase										
Total Premium Without Terrorism	-	\$179,216.00	\$148,069.00	\$24,142.00	\$154,630.00	\$146,862.00	\$158,876.00	\$137,403.00	\$137,403.00	

Monoline Policies	Worker's Compensation		Arthur J. Gallagher		Lee/O'Keefe Ins.	
	Insurance Agency Name	Insurance Carrier Name	Insurance Agency Name	Insurance Carrier Name	Insurance Agency Name	Insurance Carrier Name
Insurance Agency Name	USI Ins. Services	Ramza Ins. Group	Ramza Ins. Group	Arthur J. Gallagher	Arthur J. Gallagher	Ramza Ins. Group
Insurance Carrier Name	Berkshire Hathaway	IPRF	AmTrust	State National	Accident Fund	The Zenith
Total Premium	\$81,980.00	\$59,730.00	\$78,164.00	\$50,833.00	\$52,387.00	\$63,073.00
Insurance Agency Name	Worker's Compensation	Scholastic Risk Mgt.	Lee/O'Keefe Ins.			
Insurance Carrier Name	Arthur J. Gallagher	Employers Preferred	BrickStreet			
Total Premium	\$87,361.00	\$51,869.00	\$73,343.00			
Insurance Agency Name	School Board Legal Liability	USI Ins. Services				
Insurance Carrier Name	QBE					
Total Premium	\$5,674.00					

**Notes:**  
*Private State Insurance Cooperative (PSIC)*  
 \* PSIC has a common effective date of July 1st. Therefore, the pro-rated premium from February 16, 2019 through July 1, 2019 would be \$60,873.  
 \* PSIC Includes Cyber Liability, Pollution Liability, Blanket Student Accident, and Catastrophic Student Accident within the Package coverages.  
 \* The District has a three (3) year commitment to the PSIC Package and Worker's Compensation Program, subject to the terms and conditions of the bylaws.

These Proposal worksheets were provided and prepared as a service to Pana CUSD #8. These worksheets or excerpts thereof contain information that (a) is or may be LEGALLY PRIVILEGED, CONFIDENTIAL, PROPRIETARY IN NATURE, OR OTHERWISE PROTECTED BY LAW FROM DISCLOSURE, and (b) is intended only for the use of Pana CUSD #8. You are hereby notified that using, copying, or distributing any part of these proposal worksheets is strictly prohibited. Copyright 2018 Bushue HR, Inc.