



Mid-Valley Special Education Cooperative

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MEMO TO: Executive Advisory Board

FROM: Sue Caddy
Director of Business and Human Resources

DATE: June 6, 2012

RE: CLIC MEMBERSHIP FOR WORKER'S COMP AND
PROPERTY/CASUALTY INSURANCE

Attached for your consideration is a proposal from the Collective Liability Insurance Cooperative (CLIC) to provide Mid Valley with workers compensation insurance and with P&C and general liability insurance.

	<u>CLIC</u>	<u>Current</u>
Property/Casualty Insurance	\$20,347	\$ 7,900
Worker's Compensation Insurance	<u>\$47,304</u>	<u>\$ 93,418 (WCSIT)</u>
TOTAL	\$67,651	\$101,318

TOTAL SAVINGS: \$33,667

The property/casualty insurance coverage currently provided to Mid Valley is through the D303 policy and a portion of their premium is allocated to Mid Valley. In most cases, the coverage limits under the CLIC Pool exceed those afforded to Mid Valley through the existing policy (see attached for a comparison of coverage limits).

CLIC is a specialized insurance risk management program for school districts in Illinois. Established in 1983, CLIC currently has 165 member districts in the property/casualty pool and 123 member districts in the Workers' Compensation program. The pool currently has 16 special education cooperatives as members as well.

I have extra copies of the full proposals and would be happy to provide a copy to you. Please let me know. Otherwise, I will make them available at the Board meeting.

Recommendation: It is recommended that the Board approve the proposal to join the CLIC insurance pool.

Proposal of Insurance for:

Premiums/Fees Comparison:

Coverages	Expiring Carrier	Expiring Costs	CLIC Carrier	CLIC Annual Costs 7/1/2012-2013
Excess Workers' Compensation Premium	WCSIT	\$93,486	Safety National	\$2,234
Arthur J. Gallagher Risk Mgmt Services Fee		N/A		\$2,279
Sedgwick Claims Admin Fee		N/A		\$2,292
Sedgwick Loss Control Fee		N/A		\$2,646
Total Fixed Costs:		\$93,486		\$9,451
Variable Costs:				
Loss Fund – Funded Amount		N/A		\$37,853
Total Workers' Compensation Program Contribution:		\$93,486		\$47,304

Loss Fund	Annual 2012-2013
Loss Fund – 100%	\$51,276
Loss Fund – Funded Amount	\$37,853
Auditable Loss Fund Amount	\$13,423

Note: Under the CLIC Workers' Compensation Program, your School District has a three-year commitment to the CLIC Cooperative, subject to the terms and conditions of the CLIC bylaws.

This coverage cannot be bound prior to the acceptance of the Property/Casualty Program. In accordance with the Cooperative's By-Laws, you must be a member of the CLIC Property/Casualty Program in order to participate in the CLIC Workers' Compensation Program.

Premiums/Fees Comparison Renewal Program to CLIC Program

Coverages	Incumbent Renewal Costs	CLIC Annual Costs
Package Policy (includes Property, General Liability, Auto Liability and Physical Damage and Crime)	\$7,900	\$1,465
Excess Property (\$1,000,000,000)	Not Covered	\$844
Excess Property (\$100,000,000 xs 1,000,000,000)	Not Covered	\$20
Boiler & Machinery	Included – Limited Coverage	\$155
Excess Liability (\$1,000,000 xs \$1,000,000) Including Crisis Response/School Violent Acts	Not Covered	\$500
Excess Liability (\$10,000,000 xs \$1,000,000)	Included - \$1,000,000 Limit	\$500
Excess Liability (\$24,000,000 xs \$10,000,000)	Not Covered	\$500
School Board Legal Liability	Included	\$1,810
Pollution Liability	Not Covered	\$611
Student Accident – Mandatory	Not Covered	\$247
Student Accident – Catastrophic	Not Covered	\$50
Identity Theft	Not Covered	\$2,000
Arthur J. Gallagher Risk Management Service Fee	N/A	\$4,092
Gallagher Bassett Services Claims Admin Fee	N/A	\$1,500
Gallagher Bassett Services Loss Control Fee	N/A	\$1,195
TOTAL FIXED COSTS	\$7,900	\$15,489

Variable Costs	Expiring Costs	CLIC Annual Costs
Loss Fund – Package	N/A	\$3,538
Loss Fund – School Board Legal	N/A	\$1,320
Total Program Contribution on a Maximum Cost Basis	\$7,900	\$20,347

Under the CLIC Program, your School District has a three-year commitment to the CLIC Cooperative, subject to the terms and conditions of the CLIC Bylaws.