



UNIVERSITY OF GUAM
UNIBETSEDAT GUAHAN
BOARD OF REGENTS

RESOLUTION NO. 13-20

RELATIVE TO APPROVING THE PROPOSED FY2014 INSURANCE PROGRAM

WHEREAS, the University of Guam (University) is the primary U.S. Land Grant institution accredited by the Western Association of Schools and Colleges (WASC) serving the post-secondary needs of the people of Guam and the region; and

WHEREAS, the governance and well-being of the University is vested in the Board of Regents (BOR); and

WHEREAS, the University's insurance program provides liability coverage and protection for the University's assets, which are vital for student learning; and

WHEREAS, the University and its risk manager have prepared insurance specifications for the following policies: primary liability, educators legal liability, limited professional liability, umbrella liability, property, property terrorism, comprehensive crime, automobile, and automobile excess liability; and

WHEREAS, the University through its risk manager and insurance broker has prepared and disseminated the FY2014 Insurance Specifications and received offers on the specified coverage to 11 insurance carriers/agents, representing all the major carriers on Guam; and

WHEREAS, the University has partnered with United Educators Insurance, as one of approximately 80 institutions out of its 1,150 members, in a Risk Reduction Program for Contract Management, which offers the University an opportunity to automatically renew its annual liability policies under stable terms, conditions and premiums over a three-year period; and

WHEREAS, the University's evaluation committee has evaluated the offers, and with its risk manager and insurance broker, recommends the best qualified offeror for each policy within the FY2014 insurance program; and

WHEREAS, the President, Physical Facilities Committee and Budget, Finance, Investment and Audit Committee have reviewed and recommend that the Board approve the proposed FY2014 insurance program.

NOW, THEREFORE, BE IT RESOLVED, that the BOR hereby approves the Administration and Committees' recommendations for the FY2014 insurance program, as attached, and

BE IT FURTHER RESOLVED, that the Vice President for Administration and Finance is authorized to instruct the insurance broker to place the recommended insurance policies effective 1 October 2013, so as to provide continuous insurance coverage for the University of Guam within the terms offered.

Adopted this 19th day of September, 2013.

ATTESTED:

Robert A. Underwood, Ed.D., Executive Secretary

W. Chris Perez, M.D., Chairman

several competitive and favorable aspects of the coverage that remain in effect: First Net's mold coverage of \$550k; the reduction in the property windstorm, typhoon, tidal wave and earthquake deductible at 2% of claim minimum \$100k rather than minimum \$150k; and the reduction in the property terrorism deductible from \$250k to \$100k. The Committee recommends acceptance of the Moylan's First Net offer.

Automobile & Excess Auto Liability Insurance

Two offers were received from American Standard (believed to be general agent for Pacific Indemnity) and Moylan's Dongbu. Moylan's Dongbu quote was the only responsive and responsible bid offer and the lowest at \$15,266. This is a decrease of \$3,478 (~19%) from last year. Besides competitive factors, the premium decreased due to the decrease in the fleet from 82 to 81 vehicles.

Prices were offered for liability coverage only and for liability insurance plus physical damage coverage. The Committee agreed not to purchase collision damage coverage in view of the University's favorable loss history (note: in FY13 collision damage coverage would have added \$37k to the premium).

The Committee recommends acceptance of the Moylan's Dongbu offer.

Crime Insurance

Moylan's Dongbu will provide crime coverage for the third, as the University purchased a three-year policy at \$7,727 in FY12. The Committee recommends continuance of the Moylan's Dongbu coverage.

Liability Insurance

Only one offer was received from United Educators. UE's renewal quotes total \$258,797 for four liability policies: primary general liability, umbrella liability, educators' legal liability, and limited professional liability. This is an decrease of \$737 (0.3%) compared to last year. This is good news as the limited professional liability premium generally increases with the University's enrollment, which has increased. For the other three coverages, the University's partnership with UE to establish a Risk Reduction Program for Contract Management continues. This partnership enables the University to automatically renew its annual liability policies under stable terms, conditions and premiums over a three-year period. FY14 is the third year. The Committee recommends that the UE offer be accepted.

UNIVERSITY OF GUAM
FY2014 INSURANCE
 MARKETS & UNDERWRITERS

GENERAL AGENT	CARRIER	A.M. BEST RATING	PROPERTY	AUTOMOBILE	EXCESS AUTO	CRIME	PRIMARY LIABILITY	EDUCATORS LEGAL LIABILITY	UMBRELLA LIABILITY	LICENSED PROFESSIONAL LIABILITY
AMERICAN STANDARD	See Note	See Note	\$400,560	\$20,079	Included w/Auto Quote	NO QUOTE	NO QUOTE	NO QUOTE	NO QUOTE	NO QUOTE
AON	Century	B++	Carrier did not respond to RFP and does not meet company rating.							
CALVOS	Charis	A	\$439,057	NO QUOTE	NO QUOTE	NO QUOTE	NO QUOTE	NO QUOTE	NO QUOTE	NO QUOTE
CASSIDYS	Pacific Indemnity	A-	Carrier did not respond to RFP.							
GREAT NATIONAL INSURANCE	Chung Kuo	Not Rated	Carrier declined to quote due to limits, terms & conditions							
GUAHAN INSURANCE	Nippon Koa	A+	Carrier indicated that they will not be participating.							
MOYLAN'S	First Net (100% Reins w/Lloyds)	A	\$385,038	NO QUOTE	NO QUOTE	NO QUOTE	NO QUOTE	NO QUOTE	NO QUOTE	NO QUOTE
MOYLAN'S	Dongbu	A	NO QUOTE	1-Year Term \$15,266 3-Year Term \$13,739	Included w/Auto Quote	\$7,727	NO QUOTE	NO QUOTE	NO QUOTE	NO QUOTE
NANBO	Tokio Marine	A+	Carrier declined to quote as they are not able to meet conditions of the specifications.							
UNITED EDUCATORS	UE	A+	NO QUOTE	NO QUOTE	NO QUOTE	NO QUOTE	\$87,874	\$63,907	\$81,923	\$28,413
TAKAGI	Aioi	A+	Carrier did not respond to RFP.							

Notes:

08/20/2013 - Received FY14 Insurance Specifications from UOG. 08/21/2013 - Sent FY14 Insurance Specifications out to all Carriers. 8/24/2013 - Sent an email to all Carrier providing them with Loss History and reminded them of the submission deadline. 09/02/2013 - Phoned all Carriers to remind them of the submission date and time. 09/04/2013 - Phoned all Carriers to encouraged them to submit any line of coverages. 09/05/2013 - Reminded all Carriers of deadline and encouraged all to submit on the 6th of September. 9/06/2013 - Called all Carriers in the morning to remind them that the deadline to Submit was today. 6pm Submission deadline.

* American Standard - Did not indicate the carrier in their submission, however they provided an email two days before deadline indicating they were General Agents for Pacific Indemnity, which is an A- Rating.

UNIVERSITY OF GUAM FY2014 INSURANCE QUOTES

POLICY DESCRIPTION	CURRENT CARRIERS	COVERAGE LIMITS	FY2013 PREMIUM 2012-2013	CALVO AIG (A)	MOYLAN'S FIRST NET (100% Reins w/Lloyds)	MOYLAN'S DONGBU (A)	AMERICAN STANDARD See Note	UNITED EDUCATORS (A)
Blanket All Risks of Physical Loss or Damage Incl Windstm, Tidal Wave, EQ & Fldr								
FY2013 Property Values: \$234,024,110								
FY2014 Property Values: \$234,024,110								
Limit of Liability		\$40,000,000			\$40,000,000		\$40,000,000	
Terrorism		\$10,000,000			\$10,000,000		\$10,000,000	
Sublimit:								
Typhoon, Earthquake, Flood & Tidal Wave		\$4Mill occurrence			\$4Mill occurrence		\$4Mill occurrence	
Self Insured Retention:								
\$25,000 any one occurrence, EXCEPT Windstorm, Typhoon, Flood, TW & EQ which is 2% of claim, min. \$100,000								
AUTOMOBILE INSURANCE								
FY2013: Third Party Liability	Cassidy's Insurance	\$1,000,000	\$18,744	NO QUOTE	NO QUOTE	<u>1-Year Term</u> (Third Party Liability) \$15,266	\$20,079	NO QUOTE
Medical Payments (each person)		\$1,000				<u>3-Year Term</u> (Third Party Liability) \$13,739		
FY2013: 82 Vehicles								
FY2014: 81 Vehicles								
EXCESS AUTOMOBILE								
	Moylan's Dongbu	\$1,000,000	Incl. in Auto Premium	NO QUOTE	NO QUOTE	Included Above	Included Above	NO QUOTE
COMPREHENSIVE CRIME INSURANCE								
A. Employee Dishonesty Cover	Moylan's Dongbu	\$500,000	\$7,727	NO QUOTE	NO QUOTE	\$7,727 (3rd Yr. Billing)	NO QUOTE	NO QUOTE
B. Loss Inside the Premises		\$200,000						
C. Loss Outside the Premises		\$200,000						
D. Money Orders & Counterfeit Paper Currency		\$200,000						
E. Depositors Forgery		\$200,000						
F. Check Forgery		\$200,000						
G. Third Party Computer Fraud		\$200,000						
H. Costs		\$200,000						
Deductible - \$20,000 each and every claim								
Subtotal for Local Lines:								\$422,021

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PRIMARY GENERAL LIABILITY Deductible: \$10,000	UE	\$1,000,000 Each Occ \$3,000,000 Aggregate	\$87,874	NO QUOTE	NO QUOTE	NO QUOTE	NO QUOTE	\$ 87,874.00
UMBRELLA LIABILITY INSURANCE <u>Self-Insured Retention:</u> \$100,000 Sexual Molestation; \$25,000 Others	UE	\$25,000,000 Aggregate	\$81,923	NO QUOTE	NO QUOTE	NO QUOTE	NO QUOTE	\$ 81,923.16
EDUCATORS LEGAL LIABILITY <u>Self-Insured Retention:</u> \$1,000 Directors, Trustees, Officers per claim \$250,000 Wrongful Employment Practices per claim \$100,000 Each Other Claim	UE	\$5,000,000 Claim/Aggr	\$63,907	NO QUOTE	NO QUOTE	NO QUOTE	NO QUOTE	\$ 63,907.40
LIMITED PROFESSIONAL LIABILITY <u>Self-Insured Retention:</u> \$0 Each Individual Non-Indemnifiable per claim \$10,000 All Other Claims	UE	\$1,000,000 Each Claim \$3,000,000 Aggregate	\$25,830	NO QUOTE	NO QUOTE	NO QUOTE	NO QUOTE	\$ 25,092.32
GRAND TOTAL ANNUAL PREMIUM :			\$681,556					

Note:

American Standard Insurance Underwriters, Inc. - Did not submit policy specimen, as required, and did not indicate the carrier in their submission. However, two days before deadline they emailed AM Insurance informing us that they are a General Agent for Pacific Indemnity, which is an A- Rating.
 Calvo's Insurance Underwriters, Inc. - Did not submit policy specimen, which was required in the Specifications.
 United Educators - UOG to be receiving dividend payment of \$11,900.43.