

The college placed its Property and Liability Insurance program up for bid for the fiscal years starting July 1, 2007. The firm of Charlesworth & Associates, LC, Overland Park, Kansas was used to help prepare the specifications and manage the bid process. Charlesworth provides the best information for interested brokers and maintains objectivity throughout the process.

Three brokers were interested in providing quotes for the College and the process was started on March 19, 2007 by assigning underwriters to the bidders. The finished bids were due in the offices of Charlesworth by May 24, 2007. Only one bidder responded with a complete bid on the due date. That bidder was Conrade and Associates, our existing broker. The bid is from EMC Insurance companies (our existing carrier) for all coverage except Professional Liability which is offered by Granite States Insurance. The following is the quote:

	Current Renewal	Prior Year Costs
Property	\$82,205	\$118,876
Inland Marine	12,626	12,957
General Liability	5,862	11,324
Professional Liability	2,385	4,554
Automobile	25,217	41,185
Umbrella	11,304	24,384
Crime/Bonds	3,281	3,281
Workers' Compensation	107,052	82,085
Educators Legal Liability	10,297	10,297
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Total	\$260,229	\$308,943

Our Workers' Compensation coverage has increased significantly in cost by \$24,967. This is primarily because of our bad experience the past three years. However, even with that increase the overall total cost reduction is \$48,714 for the year. Even though we received only one quote, the insurance market is competitive enough to provide a quote with a significant cost reduction.

We also received a separate quote on Workers' Compensation from Liberty Mutual Insurance Company. That quote was for \$96,510 which is lower than EMC's quote above. We believe, however, that because of the possibility of receiving dividends from EMC (we received \$22,326 for 2006-2007) and using their loss control assistance to help reduce our workers injuries in the future, we should keep the total package with EMC as we have done in the past. If the loss control assistance is not successful, we can approach Liberty Mutual in the future.

Our recommendation is to accept the total quote from EMC Insurance Companies and Granite State Insurance for a total of \$260,229.