



UNIVERSITY OF GUAM
UNIBETSEDAT GUAHAN
BOARD OF REGENTS

RESOLUTION NO. 10 -27

RELATIVE TO APPROVING THE PROPOSED FY2011 INSURANCE PROGRAM

WHEREAS, the University of Guam 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; 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 FY2011 Insurance Specifications and received offers on the specified coverage from three carriers; and

WHEREAS, the University's evaluation committee has evaluated the offers, and with its risk manager and insurance broker have recommended the best qualified offeror for each policy within the FY2011 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 FY2011 insurance program; and

NOW, THEREFORE, BE IT RESOLVED, that the Board hereby approves the University's recommendations for the FY2011 insurance program.

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 2010, so as to provide continuous insurance coverage for the University of Guam within the terms offered.

Adopted this 30th day of September, 2010.



P. Sonny Ada, Chairman

ATTESTED:



Dr. Robert A. Underwood, Executive Secretary

MEMORANDUM

IRIS, Ltd.

29 September 2010

To: David O'Brien, Zeny Nace
From: Michael Moody
Re: FY 2011 Insurance Purchase Recommendations

The Risk Management Committee met on September 8 to review the various quotes received from local insurance carriers for the renewal of the University's insurance for FY 2011. The Committee was comprised of Vice President David O'Brien, Comptroller Zeny Nace, Legal Counsel Vicki Renacia, and myself. Also in attendance were Merly Azicate and Julius Bermudez of the Business Office, Sandra McAuliffe of Plant & Facilities, and Trish Granillo of AM Insurance. We reviewed three policies; property insurance, automobile insurance, and crime insurance. Our liability insurance review was added later. Comments on our decisions follow. Complete details of each quote are contained in the spreadsheet prepared by the Broker.

Property Insurance

Insurance specifications were sent to three carriers by our insurance broker. The only offer received was from Moylan's First Net, our current carrier. That offer continued our current coverage with a \$38,906 (9.0%) premium reduction from \$430,875 to \$391,969. The Committee also notes that First Net at the reduced premium also provided an increase in mold coverage from \$250k to \$500k and a 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

Insurance specifications were sent to three carriers by our insurance broker. Two offers were received; one from Calvos AIG and one from Moylan's Dongbu, our current carrier. Moylan's Dongbu quoted \$5,070 lower than Calvo's. Premiums have increased \$823 (3.6%) over last year due to the addition of eight vehicles to the University's fleet (80 to 88).

Prices were offered for liability insurance only and including material damage. The Committee agreed not to purchase material damage coverage in view of the University's favorable loss history and the \$27,315 premium saving.

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

Crime Insurance

Insurance specifications were sent to three carriers by our insurance broker; only one responded. Moylan's Dongbu quoted \$10,600, unchanged from last year.

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

Liability Insurance (updated by VPAF)

Specifications were sent to carriers by our broker; one responded. The Committee recommends that United Educators (UE) provide the University with four policies; General Liability, Excess Liability, Educators' Legal Liability, and Limited Professional Liability. UE's renewal quotes total \$257,700. Premiums increased \$7,837 (3.1%) over last year. The only significant coverage change is the Committee recommendation of a \$10,000 deductible, from \$2,500, for General Liability due to favorable loss history and a \$7,389 premium saving.

A handwritten signature in black ink, appearing to read "Mike", is located at the bottom left of the page.