

MEMO

TO: Dr. Josh Bullock, President
FROM: Greg Nuxoll, Vice President for Business Services
CC:
DATE: March 14, 2022
RE: Property & Casualty Insurance Policy

Dimond Bros., the retained insurance consultant for Lake Land College, recently solicited bids from various insurance providers for the College's property & casualty insurance coverage. Through this process, Dimond Bros. reached out to several insurance companies inquiring if they would like to provide a bid. In talking with Diamond Bros., the other insurance companies declined to provide a bid as they did not feel they would be competitive with the incumbent agency, Employers Mutual Casualty (EMC). The other insurance companies indicated a competitive bid was not possible since the roof claim from the April 2020 fire at Neal Hall was still within the College's loss runs along with a few other open employment practice claims.

Total premium paid, including current year endorsements, to EMC for the Property and Casualty Insurance Policy was \$166,487 for the time-period April 15, 2021 to April 15, 2022. The bid for the year April 15, 2022 to April 15, 2023 is \$185,416. The current year proposed bid reflects an \$18,929, or 11.4%, increase compared to the prior year.

We are still awaiting the earthquake coverage premium from EMC. The prior year earthquake premium was \$23,919 and Dimond Bros. believes the current year premium would rise similar to the Property and Casualty Policy. The College believes that it would be acceptable to move forward with the earthquake coverage as long as the proposed premium does not exceed a 20% increase over the prior year premium of \$23,919.

The main rationale for the increase in the Property and Casualty premium is a 7% increase on building value and a 4% increase on content values. In addition, the policy now includes some added properties and content, namely the new Workforce Development Center at an insured building value of \$4.25 million and a \$2.0 million insured contents value.

Our recommendation, along with Dimond Bros. is to accept the bid from Employers Mutual Casualty (EMC), as our Property and Casualty insurance provider for the upcoming year (policy runs 4/15/2022-4/15/2023) at a cost of \$185,416. Additionally, we recommend the Board approve the additional earthquake coverage with EMC, provided the earthquake coverage does not exceed a 20% increase over the prior year premium of \$23,919.

Please do not hesitate to contact us should you have any questions, thank you.