Carleton College
2009 Insurance Renewal – Executive Summary

The 2009–10 Property/Casualty renewal for Carleton College resulted in favorable terms and conditions; total premiums increased by approximately $4,000 or approx. 1%. The property renewal was partly impacted by the large hail loss in 2006, and led the incumbent carrier Lexington (MHEC) to deliver a premium increase of approx. 20% over expiring.

We received alternate property quotes from Chubb and Travelers, with Chubb being the most competitive. Chubb was unable to quote the library contents due to the lack of sprinklers in Gould library; therefore a separate policy for the library contents was placed with AXA, which also insures the College’s fine arts and rare book collection. The Chubb/AXA combined premium was $261,823, approximately $22,000 less than the Lexington/MHEC renewal quote. In addition, Chubb guaranteed not to increase its rate for two years, subject to maximum loss ratio provisions.

With regard to Workers' Compensation, the College has been self-insured for many years with reinsurance provided by the State of Minnesota’s Workers Compensation Reinsurance program (WCRA). Prior to Gallagher becoming the broker for this line of coverage in 2008, the College was also purchasing a separate Excess Workers Compensation policy from Safety National. Gallagher recommended that Carleton cancel the Safety National policy as it was redundant, saving the College approximately $20,000.

Additional highlights of this year’s renewal follow:

- The United Educators (UE) policy premiums increased by just under 2%, from $200,314 to $203,960.
- UE’s General Liability quote reflected a 4.5% rate increase and a 0.5% exposure decrease, while the Educators Legal Liability quote reflected a 1% rate decrease and a 4.5% exposure increase.
- All other coverages except Foreign and Property/Flood are flat or down.
- The Flood policies for Laird Stadium and West Gym with American Bankers (National Flood Insurance Program) renewed effective 8/9/07.
- With regard to Workers’ Compensation we are recommending that the college drop the Safety National policy excess of the WCRA coverage. This will save over $20,000 annually.
- With regard to risk management, Gallagher is scheduled to provide Carleton with a tabletop crisis response exercise in December 2009 related to an active shooter on campus simulation. Also this fall Gallagher will meet with Carleton’s Student Services departments to review policies/procedures in a variety of areas; a follow-up safety inspection of the College’s biology and chemistry laboratories will also take place this year.
2009-2010 Program Structure
Carleton College