

**MINUTES  
LAS VEGAS-CLARK COUNTY LIBRARY DISTRICT  
BOARD OF TRUSTEES RISK MANAGEMENT COMMITTEE MEETING  
LAS VEGAS, NEVADA  
JULY 14, 2005  
(approved September 8, 2005)**

The Risk Management Committee of the Board of Trustees of the Las Vegas-Clark County Library District met in the Sahara West Library, Las Vegas, Nevada, at 4:30 p.m., Thursday, July 14, 2005.

**Present:** Board: K. Carter, Committee Chair  
A. Arthurholtz, Committee Member  
A. Aguirre, Committee Member

Counsel: G. Welt

Absent: F. Sponer

Staff: Daniel L. Walters, Executive Director  
Numerous Staff

Guests: Charlie Dorsey, Marsh USA Inc.

K. Carter, called the meeting to order at 4:40 p.m.

**Roll Call** As listed above.

**Agenda** Trustee Aguirre moved to approve the Agenda as proposed. There was no opposition and the motion carried.

**Public Comment (Item III.)** None

**Discussion and possible Board action recommending to the Board of Trustees that a contract for property and casualty insurance be awarded to \_\_\_\_\_\* for the policy year commencing on July 1, 2005. (Item IV.A.)**

General Services Manager, Steve Rice introduced the District's Broker of Record, Charlie Dorsey from Marsh USA Inc. Before turning the meeting over to Mr. Dorsey, Rice apprised the Committee of a situation that began last fall where the Attorney General of New York brought action against the parent company of Marsh USA alleging bid rigging and directing business to carriers that paid contingent commissions. There was a settlement agreement reached where Marsh set up an \$850 million fund to be paid out over four years to their various customers throughout the world. LVCCLD is eligible to participate in that and upon review, it appears that the District would be eligible for a little over \$7,000. The Insurance Commission of Nevada conducted its own examination of Marsh in Nevada and there were no issues with the way that Marsh conducts business in Nevada. There were no discrepancies in the files of the clients that were audited. Copies of the report were made available to Committee members. Rice also noted that Chubb Insurance is the District's current carrier and has served the District for several years even before Marsh was the Broker of Record.

**\*Company to be recommended by**

Trustee Aguirre asked what the LVCCLD would need to do to claim the

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**Risk Management Committee.**

money available from the settlement agreement. Rice answered that September 20 is the cutoff date for response. If the District claims the money, it would entail giving up the right to any civil suits or class action suits that might be taken against Marsh in the future. Counsel Welt will take an in-depth look at the options and a recommendation will be made. Welt stated that based on his knowledge of the situation and that an audit has already been done for Nevada, his initial response would be to take the settlement.

Mr. Dorsey stated that during the audit, seven of his accounts, including the LVCCLD account, were looked at and all of the accounts were free from any discrepancies. The New York accounts were an isolated incident and not indicative of the way the company does its business elsewhere.

Mr. Dorsey indicated that Marsh has always conducted aggressive marketing of the District's insurance needs in order to obtain the most competitive bids. He said that this year, the insurance companies didn't want to bid anymore because the District never changes its carrier. Bidding on a yearly basis seems like a waste of time when the prices remain basically the same. Mr. Dorsey recommended that the District retain the current carrier, Chubb. Nevada law allows that an insurance company can drop a new client for no reason within 90 days of establishing a new account. This is not the case with a renewal. Therefore it is more risky to switch to a new carrier. Since there is no significant savings or increase in coverage, Mr. Dorsey indicated the best course of action is to renew with Chubb.

The quotes are a slight reduction in premium with essentially the same coverage. Trustee Carter asked for any further comments or discussion.

Trustee Arthurholtz moved that the committee recommend to the Board of Trustees that a contract for property and casualty insurance be awarded to Chubb for the policy year commencing on July 1, 2005 for \$205,990.00.

**Discussion and possible Board action recommending to the Board of Trustees that a contract for public officials and employment practices liability insurance be awarded to \_\_\_\_\_\*.**

Mr. Dorsey gave a brief outline of Employment Practices and Public Officials Liability Insurance (EPL) policies and coverage. He indicated EPL covers issues resulting from harassment, wrongful termination and discrimination complaints, typical Federal Title Seven complaints.

Mr. Dorsey explained the various quotes and recommended that the District take the option with the Terrorism Risk Insurance Act (TRIA) coverage.

Trustee Arthurholtz moved to recommend to the Board of Trustees that National Union Fire Insurance Company of Pittsburgh, PA be awarded a contract for public officials and employment practices liability insurance with the policy option which provides aggregate limit of liability of \$1,000,000 with a \$50,000/100,000 deductible for the premium of

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**(Item IV.B.)**                   \$26,135.

**\*Company to be  
recommended by  
Risk Management  
Committee.**                   Trustees Carter and Aguirre voted in favor.

**Adjournment (Item  
V.)**                           The meeting was adjourned at 5:30 p.m.

Respectfully submitted,

K. Carter, Committee Chair