

MINUTES
LAS VEGAS-CLARK COUNTY LIBRARY DISTRICT
BOARD OF TRUSTEES' RISK MANAGEMENT COMMITTEE MEETING
LAS VEGAS, NEVADA
July 10, 2008
(approved September 11, 2008)

The Board of Trustees Risk Management Committee of the Las Vegas-Clark County Library District met in regular session in the Las Vegas Library, Las Vegas, Nevada, at 12:00 p.m., Thursday, July 10, 2008.

Present: Committee: F. Barron A. Arthurholtz
J. Costello

Counsel: G. Welt

Absent: K. Carter
A. Aguirre

Staff: Daniel L. Walters, Executive Director
Numerous Staff

Guests: Charlie Dorsey, Wells Fargo Insurance Services of Nevada, Inc.
Lisa Dixon, Wells Fargo Insurance Services of Nevada, Inc.

M. Frances Barron, Board Chair, called the meeting to order at 12:05 p.m. due to the absence of Committee Chair K. Carter.

Roll Call All members listed above represent a quorum. Trustees Aguirre and Carter had advised staff they would not be at the meeting and their absences were excused.

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

Discussion and possible Committee action regarding a report from the District's broker regarding proposals for the contract award for property and casualty insurance for the policy year commencing on July 15, 2008 and for public officials and employment practices liability insurance for the policy year commencing on August 1, 2008.

General Services Director Steve Rice presented the item and introduced Charlie Dorsey and Lisa Dixon of Wells Fargo Insurance Services of Nevada, Inc., the District's insurance broker of record. Mr. Dorsey and his staff conducted a thorough review of the District's current property and casualty insurance and public officials and employment practices liability insurance (POEPL) policies and coverages, solicited competitive premium quotes and prepared information for review by Trustees.

Mr. Dorsey disclosed that he is a member of the Travelers Public Entity Advisory Committee, a volunteer position and that he does not believe their quote was due to his position on the Committee.

Trustees discussed the information gathered by the Broker noting that only two quotes were received for the property and casualty insurance, from Chubb and St. Paul Mercury Insurance, A Travelers Company (St. Paul). Only two quotes were received for the POEPL policy, from current insurer AIG and St. Paul.

Trustees discussed the length of the relationship with the current property and casualty insurer Chubb, the reasons certain companies

Minutes - Board of Trustees' Risk Management Committee Meeting

July 10, 2008

Page 2

(Item III.)

approached by the Broker declined to bid, why different insurance coverage was not broken down into separate policies, whether the District could get multi-year coverage and the amount of the commission to be paid by the successful insurance company to the Broker. Trustees also discussed the specific amounts of coverage, why different types of coverage are necessary and the limits in each quote. Trustee Costello moved to recommend to the Board to increase the deductible for POEPL coverage to \$50,000. There was no opposition and the motion carried.

Trustees noted the lower bids received for the 2008-2009 policy year, compared to the previous year, and expressed concern about a large rate hike in the future if the District switched insurers. Dorsey briefly discussed how rates are set, noted that rates are lower throughout the industry than in previous years and believed that, barring a catastrophe, the rates should remain low.

Mr. Rice reported that this year staff updated the schedule of values of personal property for each District location and was given to the Broker as part of the preparation for the bid. The personal property value covers the District's collection at each site and had not been updated for several years.

Mr. Dorsey reminded Committee members that the property and casualty policy, as well as the POEPL policy, is a claims-made policy and said if they recommended that the Board change insurers, Trustees should ensure staff has reported all claims before the policy expiration date. Mr. Rice, Mr. Walters and Counsel Welt discussed what staff had done to disclose existing or potential claims.

The meeting was recessed for a break between 1:21 p.m. and 1:26 p.m.

Mr. Dorsey briefly explained an option to add coverage for Cyber Liability for Public Entities which covers a failure to protect electronic data. After discussion with Mr. Walters and Counsel Welt about the District's liability limits, the types of electronic data which the District maintains, the firewall protection already in place and the extent to which patrons could be harmed by the negligence of the District, Committee members agreed to recommend adding \$1 million of cyber liability coverage, with a \$5,000 deductible to the insurance policy.

Trustee Arthurholtz moved to recommend to the Board of Trustees that a contract for property and casualty insurance be awarded to St. Paul Mercury Insurance, A Travelers Company at an annual premium of \$211,417.00 for the policy year commencing on July 15, 2008 and a contract for public officials and employment practices liability insurance with a \$50,000 deductible be awarded to St. Paul Mercury Insurance, A Travelers Company at an annual premium of \$20,039.00 for the policy year commencing on August 1, 2008. There was no opposition and the motion carried.

Minutes - Board of Trustees' Risk Management Committee Meeting

July 10, 2008

Page 3

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

**Adjournment
(Item V.)** Chair Barron moved to adjourn the meeting at 1:38 p.m. There was no opposition and the motion carried.

Respectfully submitted,

M. Frances Barron, Board Chair