

RECREATION CENTERS OF SUN CITY, INC.
Insurance Committee
May 10, 2017

Chair Jerry DeLano called the meeting to order at 1:00pm in the Lakeview Board Room.

PRESENT: Chair Jerry DeLano, Co-Chair Dave Wieland, Committee members John Chaney and George Courtot

RCSC STAFF PRESENT: General Manager Jan Ek, Controller Angie Nelson

GUESTS: Lockton Companies representatives Angela Yanofsky, Gayle Kunkel, Lynette Anderson, Casey Rush - via phone, RCSC Board President Rich Hoffer, RCSC Board Treasurer Carol Lawry and RCSC Board Director Ida Eisert

Approval of Prior Meeting Summary: The Meeting Summary for April 25, 2017 was approved.

Discussion:

Pollution Insurance

Lockton completed the comparison between Philadelphia's and Chubb's pollution policy and found Philadelphia's coverage comparable to Chubb. Lockton negotiated the difference in Philadelphia's premium to only a \$354 difference from expiring coverage. Philadelphia's deductible (\$10k) is favorable. Lockton recommended 3-year pollution coverage with Philadelphia and the Insurance Committee agreed.

Workers Compensation

Copper Point toured RCSC and met with RCSC's Director of Human Resources on May 3, 2017, after which they provided us with a very favorable quote of \$272k for workers' compensation insurance. Copper Point's minimum quote was \$267k. The insurance committee agreed this was a very favorable quote, as it was only \$5k more than the minimum quote by Copper Point and \$34k less than Travelers.

Executive Risk

Casey Rush, connected via telephone conference, presented the options in Executive Risk Insurance for RCSC's renewal of June 30, 2017 to June 30, 2018. Currently RCSC has a significant claim with Chubb for the ongoing lawsuit CV2015-012458 Bolton and Florence Anderson; et al. vs. Recreation Centers of Sun City, Inc.

Markel (AM Best: A XV) offered a competitive bid for an annual premium of \$45k for \$5M in D&O coverage with limit excess of \$100k retention and \$5M in EPL coverage with limit excess of \$35k retention. Markel, in Richmond VA, was founded in 1930 and will match the prior or pending date of June 30, 2002. Insurance Committee asked that the Markel Policy be compared with the Chubb policy by the end of the week.

Chubb will afford stand-alone Crime insurance for an annual premium of \$5,223 with \$1M limit excess of \$5k retention.

Lockton's Recommendation

Lockton representatives recommended that RCSC select Markel for \$5M in D&O and EPL coverage, provided that the comparison is favorable.

Committee Motions

John Chaney moved that the committee recommend to the RCSC Board of Directors to select Philadelphia Insurance for property, inland marine, earthquake/flood, general liability, auto and umbrella; Markel for D&O and EPL unless comparison was not favorable, Copper Point for workers compensation, Chubb for crime, and Beazley for Cyber. George Courtot seconded the motion and it was unanimous.

Updated Coverages

RCSC will opt for terrorism coverage which will increase quoted premium by \$368/year. Lockton will request an increased amount of \$1.5M for Accounts Receivable as a part of our policy with no additional premium.

Adjournment: The meeting adjourned at 1:40pm.

Next Meeting: Undetermined

Respectfully submitted,

Dave Wieland, Co-Chair