



UNIVERSITY OF
NORTH TEXAS
SYSTEM

Board Briefing

Committee: Finance and Audit

Date Filed: January 9, 2007

Title: Selection of Insurance Broker

Background:

On August 31, 2007 the five-year contract with current provider of insurance broker services, Wm. Rigg Co., will expire. In December 2006, a Request for Proposal (RFP) was issued to solicit bids from brokers/agencies interested in providing services to the University of North Texas System. The intended result of soliciting bids is to issue a new contract for financing risk by insurance, including, but not limited to, Commercial Property and Machinery Breakdown, Commercial Auto, Crime, Professional Liability, Directors & Officers, Student Insurance, and Athletic Medical.

Proposals are due January 26, 2007, with selection of a broker to be determined in early February. It is the UNT System's desire to select a broker in February rather than waiting until August in order to: 1) prepare materials and communicate with international students to whom the UNT System offers student insurance, 2) allow the broker to coordinate with the Office of Risk Management to refine bids on specific lines of insurance and preclude lapses in coverage, and 3) coordinate insurance needs within the UNT System with the State Office of Risk Management; all prior to the end of FY 07.

UNT System Policy SY10.4, Contracts and Agreements, requires that all contracts, with certain exceptions not applicable here, with a value of \$1 million or more shall be submitted for approval by the Board of Regents.

Financial Analysis/History:

The contract with the selected broker will be for three years with three one-year renewal options following the initial three-year period. The *estimated* cost for insurance in FY 08 is \$1.68 million for the System, all of which will be purchased through the selected broker. Anticipated increases in insurance premiums from first year through sixth year is estimated at 3%-5% each year, although markets fluctuate up or down and run in cycles.

Vice Chancellor for Finance

Legal Review:

This board item has been reviewed by the Office of General Counsel.

Vice Chancellor/General Counsel

Schedule:

December 4, 2006	RFP Issued
January 26, 2007	Due Date for RFP
February 2007	Broker Selection
September 1, 2007	Implementation Date

Recommendation:

The Board of Regents approve the selection of a broker to provide insurance services for FY 2008 - FY2010, with three one-year renewal options following the initial three-year period. The name of the recommended broker will be presented at the February Board meeting for approval. It is further recommended that the Board of Regents authorize the purchase of necessary lines of insurance through the selected broker and that Chancellor or his designee be authorized to execute the contract with the selected broker.

Recommended By: Phil Diebel, Vice Chancellor for Finance

Name and Title

Chancellor

Attachments Filed Electronically: Insurance Premiums FY 2007



UNIVERSITY OF
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Board Order

Title: Selection of Insurance Broker

Board of Regents Order 2007-09

At an official meeting of the Board of Regents of the University of North Texas System properly posted and held on February 9, 2007, pursuant to a motion made by Regent Smith and seconded by Regent Tilley, the Board approved the motion presented below:

Whereas, the contract with the current vendor for insurance broker services will expire on August 31, 2007, and

Whereas, the University of North Texas System has solicited bids for a new contract for such services,

Now, Therefore, The Board of Regents authorizes and approves the following:

1. The selection of William Rigg Company to provide insurance broker services for FY 2008 - FY2010, with three one-year renewal options following the initial three-year period.
 2. The purchase through the selected broker of those lines of insurance deemed necessary by the System to protect the operations and assets of the System and its Institutions.
 3. Delegation of authority to the Chancellor or his designee to negotiate and execute a contract with the selected broker named above.
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VOTE: 6 ayes 0 nays 0 abstentions

BOARD ACTION: This item was approved, as presented.

Attested By:

Approved By:

Jana Dean, Secretary
Board of Regents

Gayle Strange, Vice Chairman
Board of Regents