Addendum – June 18, 2018

Board of Trustees

Finance, Audit, and Human Resources Committee

Discussion and Action as Necessary on Property/Flood, Crime, General Liability, Law Enforcement, School Leaders E&O, Automobile, Workers Compensation, Foreign, and Cyber Insurance

1. Premium Summaries
2. Recommendations by Risk Management Consultant
3. Evaluation Summaries

SOUTH TEXAS COLLEGE

Discussion and Action as Necessary on Property/Flood, Crime, General Liability, Law Enforcement, School Leaders E&O, Automobile, Workers Compensation, Foreign, and Cyber Insurance

Action will be requested at the June 20, 2018 Board meeting to award the proposal for Property/Inland Marine and Boiler & Machinery, Crime, School Leaders E&O, General Liability and Law Enforcement, Automobile, Workers Compensation, Foreign Liability, and Cyber Liability Insurance for the period beginning September 1, 2018 through August 31, 2019 at a total cost of **$1,003,695**.

Purpose - The purpose of insurance is to anticipate catastrophic losses that could financially impair South Texas College. Insurance allows the College to minimize risk of loss from circumstances beyond its control.

Justification - Every year, prior to fiscal year end, the College requests proposals for an insurance program that provides the broadest coverage at the most competitive price available in accord with approved or acceptable insurance practice in the State of Texas.

Background - The request for proposals for these insurances was advertised on May 22, 2018 and May 29, 2018 and issued to six (6) vendors. Three (3) responses were received on May 31, 2018.

- **Property/Inland Marine and Boiler & Machinery Insurance**

  ⇒ Request award of Property/Inland Marine and Boiler & Machinery Insurance coverage to The Hartford Fire Insurance Co. (Montalvo) at a total cost of **$565,776** and Inland Marine coverage to Markel Insurance Company (Montalvo) at a total cost of **$24,140**. The policy offers a 2% named storm deductible and 1% all other wind/hail deductible applied separately to each building that sustains loss and a $100,000 deductible for all other perils. Property values were updated with current construction costs per square foot. Deductible under the inland marine with Markel for electronic data processing (EDP), contractor's equipment and fine arts is $1,000.

  ⇒ Flood insurance is included with a deductible of $50,000 or $500,000 per occurrence.

- **Crime Insurance**

  ⇒ Request award of Crime Insurance coverage to Markel Insurance Company (Montalvo) at a cost of **$2,852.**

- **School Leaders E&O, General Liability and Law Enforcement, Automobile**

  ⇒ Per legal counsel, the College's exposure is shown in the table below:

	Liability Exposure
State	Sovereign immunity except for injuries arising out of operation of motor vehicles. Limits: $100,000/$300,000.
Federal	Claims arising under US Constitution and federal statutes (covered under trustee coverage) No limits.

  ⇒ Per legal counsel, under state law, the College is immune from liability except for injuries arising from a motor vehicle accident ($100,000 per person / $300,000 per accident). Under Federal Law, the College has exposure under Section 1983 Clauses of Action (Civil Rights Statute); there is theoretically no limit of liability. Legal counsel advises that though there is no ceiling under civil rights cases, the Board may, based on history, develop a risk policy. Given the College's comprehensive practices and procedures to avoid liability and the experience of the College with these cases, the primary purpose is first to ensure the College has competent legal defense and coverage is within limits. Based on the College's claim history, a $250,000 limit policy would be reasonable and sufficient coverage.

  ⇒ School Leaders E&O, General Liability and Law Enforcement, and Automobile Insurance to Markel Insurance Company (Montalvo) at a cost of **$148,213**. The program offers a $1,000,000 limit for School Board E&O, General Liability and Law Enforcement with deductibles of $25,000 for School Leaders E&O, $0 for General Liability, $1,000 for Employee Benefits Liability and $1,000 for Law Enforcement Liability. The Automobile Liability limit is $300,000 with a $1,000 deductible applicable to both the liability and physical damage.

- **Workers Compensation Insurance**

  ⇒ Workers Compensation Insurance to Texas Mutual Insurance (Carlisle) at a total cost of **$236,000**; includes Volunteers.

- **Foreign Liability Insurance**

  ⇒ Due to employee travel to Mexico and territory restrictions under the domestic policies, the purchase of an international insurance policy is recommended.

  ⇒ Foreign Liability Insurance to Ace American Insurance Co. (Montalvo) at a total cost of **$8,201**.

- **<u>Cyber Liability Insurance</u>**

  ⇒ Cyber Liability Insurance to Illinois National Insurance Co. (Montalvo) at a total cost of **$18,513**.

The total recommended award to Montalvo is **$767,695**. The total recommended award to Carlisle is **$236,000**.

Funding Source - Funds for this expenditure are budgeted in the Insurance and Benefits budgets for FY 2018 - 2019, pending Board approval of the budget.

Reviewers – This item has been reviewed by Mr. Raul Cabaza, III, Risk Management Consultant, Mrs. Mary Elizondo, Vice President for Finance and Administrative Services, Frank Jason Gutierrez, Director of Accountability, Risk, & Compliance, Ken Lyons, Risk Manager, the Purchasing Department, and South Texas College legal counsel.

Enclosed Documents – The spreadsheets provided by the College's contracted Risk Management Consultant, Mr. Raul Cabaza, III, follow in the packet for your review and information.

Mr. Raul Cabaza, III will be present at the June 19, 2018 Finance, Audit, and Human Resources Committee meeting to address questions from the Committee.

It is requested that the Finance, Audit, and Human Resources Committee recommend for Board approval at the June 20, 2018 Board meeting awarding the proposals for Property/Inland Marine and Boiler & Machinery ($589,916), Crime ($2,852), School Leaders E&O, General Liability and Law Enforcement, Automobile ($148,213), Workers Compensation ($236,000), Foreign Liability ($8,201) and Cyber Liability ($18,513) Insurance for the period September 1, 2018 through August 31, 2019 at a total cost of **$1,003,695**.

06/18/18

SOUTH TEXAS COLLEGE
INSURANCE PREMIUM SUMMARY RFP 18-19-1001
Risk Management Consultant Evaluation by Carrier

COVERAGE PREMIUMS	1	2	3	4	5	6	7	8
	Bid Proposal Texas Association of School Boards	**Bid Proposal** Montalvo Insurance Agency	**Bid Proposal** Montalvo Insurance Agency	**Bid Proposal** Carlisle Insurance Agency, Inc.	**Bid Proposal** Montalvo Insurance Agency	**Bid Proposal** Carlisle Insurance Agency, Inc.	**Bid Proposal** Montalvo Insurance Agency	**Bid Proposal** Montalvo Insurance Agency
	TASB	*Markel*	*Hartford*	*American Home Assurance*	*Ace Amercian Ins. Co.*	*Texas Mutual Insurance*	*Indian Harbor Ins. Co.*	*Illinois National Ins. Co.*
Address of Proposer:	P.O. Box 301	208 S. Texas Boulevard	208 S. Texas Boulevard	500 North Water St. Ste. 900	209 S. Texas Boulevard	500 North Water St. Ste. 900	209 S. Texas Boulevard	209 S. Texas Boulevard
	Austin, Texas 78767	Weslaco, TX 78596	Weslaco, TX 78596	Corpus Christi, TX 78401	Weslaco, TX 78597	Corpus Christi, TX 78401	Weslaco, TX 78597	Weslaco, TX 78597
	800-482-7276	956-968-5521	956-968-5521	361-884-2775	956-968-5522	361-884-2775	956-968-5522	956-968-5522
	Adrian Pena	Ramon Montalvo	Ramon Montalvo	Jerry Bravenec	Ramon Montalvo	Jerry Bravenec	Ramon Montalvo	Ramon Montalvo
PROPERTY / INLAND MARINE								
Property	No quote	No quote	$ 565,776	$ 545,530	No quote	No quote	No quote	No quote
Inland Marine	No quote	$ 24,140	Included	Included	No quote	No quote	No quote	No quote
Terrorism	No quote	Included	Included	$ 17,010	No quote	No quote	No quote	No quote
Property including Inland Marine	**$ -**	**$ 24,140**	**$ 565,776**	**$ 562,540**				
Property Named Storm Sub-Limit		Policy Limit	Policy Limit	$25 Million				
			Recommended as Bid Proposal 4 quote has Named Storm sublimit					
CASUALTY								
School Leaders E&O	$ 92,746	$ 56,857	No quote	No Quote	No quote	No quote	No quote	No quote
General Liability incl. Law Enforcement	Included in School Leaders E&O	$ 44,065	No quote	No Quote	No quote	No quote	No quote	No quote
Law Enforcement	Included in School Leaders E&O	Included in Gen. Liab.	No quote	No Quote	No quote	No quote	No quote	No quote
Automobile	$ 39,595	$ 47,291	No quote	No Quote	No quote	No quote	No quote	No quote
Casualty Sub-Total - *Note 1*	$ 132,341	**$ 148,213**						
		Recommended due to overall savings						
CYBER								
Cyber Liability	Minimal coverage under GL	No quote	No quote	No Quote	No quote	No quote	$ 15,565	**$ 18,513**
								Recommend admitted carrier vs.non-admitted
CRIME								
Crime	No Quote	**$ 2,852**	$ 7,694	$ 5,172	No quote	No quote	No quote	No quote
WORKERS COMPENSATION								
Workers Compensation	No Quote	No Quote	No Quote	No Quote	No quote	**$ 236,000**	No quote	No quote
FOREIGN LIABILITY								
Foreign Liability	No Quote	No Quote	No Quote	No Quote	**$ 8,201**	No quote	No quote	No quote

									Premium Total
Total award amount considering all insurance type proposals from Markel	$ -	$ 175,205	$ 565,776	$ -	$ 8,201	$ 236,000	$ -	$ 18,513	**$ 1,003,695**
Total award amount not considering all insurance type proposals from Markel	$ 132,341	$ -	$ 616,300	$ 5,172	$ 8,201	$ 236,000	$ -	$ 18,513	$ 1,016,527
Difference (savings)									***$ 12,832***

Note 1: This proposal is a package/bundle and as such, individual coverages may not be selected. Markel also offered quotes for Inland Marine and Crime which are only available with the purchase of their Casualty program.The Markel proposal did not include Property and as such, if the Markel proposal is selected, Property (excluding Inland Marine) would be provided by The Hartford.

Prepared by STC Staff 6/18/18

SOUTH TEXAS COLLEGE
INSURANCE PREMIUM SUMMARY RFP 18-19-1001
Risk Management Consultant Evaluation

	1	2	3
COVERAGE PREMIUMS	**Bid Proposal** **Texas Association of School Boards**	**Bid Proposal** **Montalvo Insurance Agency**	**Bid Proposal** **Carlisle Insurance Agency, Inc.**
Address of Proposer:	P.O. Box 301	208 S. Texas Boulevard	500 North Water St., Ste. 900
	Austin, Texas 78767	Weslaco, TX 78596	Corpus Christi, TX 78401
	800-482-7276	956-968-5521	361-884-2775
	Adrian Pena	Ramon Montalvo	Jerry Bravenec
PROPERTY/INLAND MARINE AND BOILER & MACHINERY			
Property	No quote	$ 565,776.00	$ 545,530.00
Inland Marine	No quote	$ 24,140.00	Included
Terrorism	No quote	Included	$ 17,010.00
Property including Inland Marine	**$ -**	**$ 589,916.00**	**$ 562,540.00**
Property Named Storm Sub-Limit		Policy Limit	$25 Million
		Recommended as alternate quote has Named Storm sublimit	
CRIME			
Crime	No Quote	$ 7,694.00	$ 5,172.00
Markel quote	No Quote	**$ 2,852.00**	No Alternate Quote
CASUALTY			
School Leaders E&O	$ 92,746	$ 56,857	No Quote
General Liability and Law Enforcement	Included in School Leaders E&O	$ 44,065	No Quote
Automobile	$ 39,595	$ 47,291	No Quote
Casualty Sub-Total	**$ 132,341.00**	**$ 148,213.00**	
Difference in Casualty Quotes		$ 15,872.00	
Inland Marine Savings Markel		$ (26,384.00)	
Crime Savings Markel		$ (2,320.00)	
Savings w/Markel		**$ (12,832.00)**	
		Recommended due to overall savings	
WORKERS COMPENSATION			
Workers Compensation	No Quote	No Quote	**$ 236,000.00**
FOREIGN LIABILITY			
Foreign Liability	No Quote	**$ 8,201.00**	No Quote
CYBER LIABILITY			
Cyber Liability	Minimal coverage under Gen.Liab.	**$ 18,513.00**	No Quote
Indian Harbor Quote (Non-Admitted)	No Quote	$ 15,565.00	No Quote
		Recommended admitted carrier vs.non-admitted	
TOTAL AWARD AMOUNT BY VENDOR	**$ -**	**$ 767,695.00**	**$ 236,000.00**

SHEPARD WALTON KING
INSURANCE GROUP

June 15, 2018

Ms. Maria G. Elizondo
Vice President for Finance and Administrative Services
South Texas College
P. O. Box 9701
McAllen, TX 78502-9500

Re: **Property/Inland Marine and Boiler & Machinery Insurance**
Effective September 1, 2018

Dear Ms. Elizondo:

Two proposals for the Property/Inland Marine/Boiler & Machinery Insurance were received, one from Montalvo Insurance through Hartford Fire Insurance Company at premium of $616,300 including inland marine or $565,776 excluding inland marine and one from Carlisle Insurance Agency through American Home Assurance at premium of $545,530 with a sub-limit for Named Storm Wind/Hail of $25 million which does not meet specifications.

The Montalvo proposal also includes a quote for inland marine coverage through Markel at premium of $24,140 which can only be purchased in conjunction with their quote for general liability insurance. This quote includes coverage for Electronic Data Processing Equipment, Contractors Equipment and Fine Arts. The savings to delete the inland marine from the Hartford property quote is $50,524 thus resulting in a net savings of $26,384 to move the inland marine from Hartford to Markel.

The Carlisle proposal also included two indications, one for an excess Named Windstorm/Hail Policy through RSUI Indemnity Insurance and another for a property program through Amrisc, however, since these are indications and are not bindable, they were not taken into consideration.

We recommend purchase of the Markel Insurance Company inland marine quote of $24,140 and the Hartford Fire Insurance Company property quote of $565,776. both through Montalvo Insurance for the period of September 1, 2018 through August 31, 2019.

Submitted by:

Raul Cabaza, III

Raul Cabaza, III, CIC
Licensed Risk Manager

Enclosures
AO

121 W. Pecan / McAllen, Texas 78501 / (956) 682-2841 / Fax (956) 630-4015
1906-B East Tyler Avenue / Harlingen, Texas 78550 / 956-423-8755 / Fax (956) 428-0730

SOUTH TEXAS COLLEGE
Property / Inland Marine and Boiler & Machinery
RFP #18-19-1001

Proposer	Current Program Montalvo Ins. Agency	Bid Proposal Montalvo Ins. Agency	Bid Proposal Carlisle Insurance
PROPERTY			
Insurance Company	**Hartford Fire Insurance Co.**	**Hartford Fire Insurance Co.**	**American Home Assurance Co.**
A.M. Best Rating	A+ XV	A+ XV	A XV
Admitted/Non-Admitted	Admitted	Admitted	Admitted
Blanket / Scheduled	Blanket	Blanket	Blanket
Total Insured Values			
Building Limit:	$ 277,955,526	$ 415,687,537	$ 415,687,537
Business Personal Property	$ 22,448,258	$ 64,812,374	$ 29,061,224
EDP	$ 23,908,377	Included	$ 35,751,150
Business Income	$ 39,239,402	$ 34,780,355	$ 34,780,355
Contractors Equipment	$ 397,521	$ 418,590	$10,000 per item / max $250,000 per occurrence
Fine Arts of Others (Max. $10K item)		$ 25,000	$10,000 per item / max $25,000 per occurrence
Policy Limit	$ 363,949,084	$ 515,723,856	$ 515,280,266
Sub-Limits			
Fire - All other Perils except wind and hail.	Policy Limit	Policy Limit	Policy Limit
Named Storm	Policy Limit	Policy Limit	25 Million
All Other Wind/Hail	Policy Limit	Policy Limit	Policy Limit
Equipment Breakdown	$ 100,000,000	$ 100,000,000	$ 100,000,000
Earthquake - Annual Aggregate	$ 1,000,000	$ 50,000,000	$ 25,000,000
Flood Annual Aggregate (Excl Zones A & V)			$ 25,000,000
-Zone B	$ 5,000,000	$ 5,000,000	See Above
-Zone C	$ 10,000,000	$ 25,000,000	See Above
Deductibles:			
Named Storm (Hurricane / Tropical Storm)	2% per building min. $100,000 per occurrence	2% per building min. $100,000 per occurrence	2% at each covered location (each single line item on Statement of Values considered a covered location); min. $100,000 any one occurrence
All Other Wind/Hail	1% per building min. $50,000 per occurrence	1% per building min. $50,000 per occurrence	1% at each covered location (each single line item on Statement of Values considered a covered location); min. $100,000 any one occurrence
All Other Perils	$ 100,000	$ 100,000	$ 100,000
Earth Movement	$ 50,000	$ 100,000	$ 100,000
Fine Arts / Contractor's Equipment	$1,000 / $2,500	$ 2,500	$ 1,000
Flood Deductibles			
-Zone C	($50K Vermont, Rio, Huisache, RR & Border) $500K all others	$ 50,000	$ 100,000
-Zone B (or X 500)	$ 500,000	$ 500,000	$ 100,000
Property including Inland Marine	$ 366,476	$ 621,165	$ 545,530
-Correct Business Income Limit	N/A	$ (4,865)	N/A
Revised Quote	**$ 366,476**	**$ 616,300**	**$ 545,530**
-Removal of EDP Coverage		$ (45,668)	
-Removal of Inland Marine Coverage		$ (4,856)	
Property w/o Inland Marine		**$ 565,776**	

SOUTH TEXAS COLLEGE
Property / Inland Marine and Boiler & Machinery
RFP #18-19-1001

Proposer	Current Program Montalvo Ins. Agency	Bid Proposal Montalvo Ins. Agency	Bid Proposal Carlisle Insurance
INLAND MARINE			
Insurance Company		Markel Insurance Company	
A.M. Best Rating		A XV	
Admitted/Non-Admitted		Admitted	
Limit of Insurance			
Contractor's Equipment		$ 418,159	
EDP Equipment (Incl. Software)		$ 35,751,150	
Fine Arts		$ 25,000	
Deductible		$ 1,000	
Premium:		$ 22,547	
-Correct EDP Limit		$ 1,593	
Premium:		**$ 24,140**	
TERRORISM			
Insurance Company			**Hiscox / Lloyds Sindicate**
A.M. Best Rating	Included in Property	Included in Property	A XV
Admitted/Non-Admitted			Non-Admitted
Limit of Insurance			$ 100,000,000
Deductible			$ 5,000
Certified & Non-Certified			Yes
Premium:	**$ 10,895**	**Included**	**$ 17,010**
TOTAL PROPERTY / INLAND MARINE	**$ 377,371**	**$ 589,916**	**$ 562,540**

$25M Named Storm Sub-Limit

INDICATIONS ONLY / NOT BINDABLE

EXCESS NAMED STORM			
Insurance Company			**RSUI Insurance Co.**
A.M. Best Rating			
Admitted/Non-Admitted			Admitted
Limit of Insurance			$ 75,000,000
Excess of			$ 25,000,000
Premium:	**Included in Property**	**Included in Property**	**$ 120,000**
Subject to:			College would need to assign RSUI to Carlisle
PROPERTY			
Insurance Company			**Amrisc LP**
Admitted/Non-Admitted			Non-Admitted
Property			**$ 650,767.00**
Equipment Breakdown			**$ 15,466.00**

SHEPARD WALTON KING
INSURANCE GROUP

June 15, 2018

Ms. Maria G. Elizondo
Finance and Administrative Services
South Texas College
P. O. Box 9701
McAllen, TX 78501

Re: Crime Insurance Effective September 1, 2018

Dear Ms. Elizondo:

Three proposals were received for the Crime Coverage. One proposal was received from Carlisle Insurance Agency through Great American Insurance Company at premium of $5,172. Two proposals were received from Montalvo Insurance Agency, one through Hartford Fire Insurance Company at premium of $7,694 and the other from Markel Insurance at premium of $2,852. The Markel quote is subject to award of the general liability insurance through Markel.

We recommend purchase of Markel Insurance Company proposal through Montalvo Insurance Agency for the period September 1, 2018 through August 31, 2019 at an annual premium of $2,852.

Submitted by:

Raul Cabaza, III

Raul Cabaza, III, CIC
Licensed Risk Manager

Enclosures
AO

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1906-B East Tyler Avenue / Harlingen, Texas 78550 / 956-423-8755 / Fax (956) 428-0730

SOUTH TEXAS COLLEGE
Crime Insurance
RFP #18-19-1001

Proposer	**Current Program** **Carlisle Insurance**	**Bid Proposal** **Carlisle Insurance**	**Bid Proposal** **Montalvo Insurance Agency**	**Bid Proposal** **Montalvo Insurance Agency**
Insurance Company	**Great American Ins. Co.**	**Great American Ins. Co.**	**Markel Insurance**	**Hartford Fire Insurance Co.**
A.M. Best Rating	A+ XIV	A+ XIV	A+ XV	A+ XV
Admitted/Non-Admitted	Admitted	Admitted	Admitted	Admitted
Employee Theft (Dishonesty)	$ 1,000,000	$ 1,000,000	$ 1,000,000	$ 1,000,000
Forgery or Alteration	$ 1,000,000	$ 1,000,000	$ 1,000,000	$ 1,000,000
Theft, Disappearance & Destruction (Inside & Outside Premises)	$ 1,000,000	$ 1,000,000	$ 1,000,000	$ 1,000,000
Money Order & Counterfeit Currency	$ 1,000,000	$ 1,000,000	$ 1,000,000	$ 1,000,000
Computer Fraud	$ 1,000,000	$ 1,000,000	$ 1,000,000	$ 1,000,000
Funds Transfer Fraud	$ 1,000,000	$ 1,000,000	$ 1,000,000	$ 1,000,000
Social Engineering (Fraudulently Induced Transfers / Fraud Impersonation)	$ 250,000	$ 250,000	$ 1,000,000	$ 250,000
				Limit with Authentication
Deductible	$ 50,000	$ 50,000	$ 50,000	$ 50,000
Premium	$ 5,172	$ 5,172	$ 2,417	
Add Theft, Disappearance, Destr.	Included	Included	$ 435	Included
Premium:	**$ 5,172**	**$ 5,172**	**$ 2,852**	**$ 7,694**

SHEPARD WALTON KING
INSURANCE GROUP

June 15, 2018

Ms. Maria G. Elizondo
Finance and Administrative Services
South Texas College
P. O. Box 9701
McAllen, TX 78501

RE: School Leaders E&O, General Liability, Law Enforcement Liability, Automobile Insurance Effective September 1, 2019

Dear Ms. Elizondo:

In response to the RFP, two proposals were received for these coverages.

Texas Association of School Boards offered renewal terms for School Leaders E&O including General Liability at premium of $92,746 and Automobile at premium of $35,595 for combined casualty premium of $132,341.

Montalvo Insurance Agency provided a proposal through Markel Insurance Company for School Leaders E&O at premium of $56,857, General Liability including Law Enforcement of $44,065 and Automobile of $47,291 for combined casualty premium of $148,213.

The Markel program offers a reduced retention under the School Leaders E&O of $25,000 and they offered quotes for the inland marine and crime insurance which are only available with the purchase of their casualty program. The savings available on those coverages is $26,384 inland marine and $2,320 crime which if taken into consideration along with the difference in casualty premiums would result in a $12,832 savings despite higher cost of casualty alone through Markel.

We recommend purchase of School Leaders E&O, General Liability, Law Enforcement Liability, Automobile from Markel Insurance Company for the policy period September 1, 2018 through August 31, 2019 at an annual premium of $148,213.

Submitted by:

Raul Cabaza, III, CIC
Licensed Risk Manager

Enclosures
AO

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SOUTH TEXAS COLLEGE
School Leaders E&O, General Liability and Law Enforcement, Automobile Insurance
RFP #18-19-1001

Proposer	Current Program Texas Association of School Boards	Proposal Texas Association of School Boards	Proposal Montalvo Insurance
Insurance Company	TASB Risk Management Fund	TASB Risk Management Fund	Markel Insurance Co.
A. M. Best Rating (A VIII or better)	Not Applicable	Not Applicable	A XV
Admitted/Non-Admitted	Not Applicable	Not Applicable	Admitted
SCHOOL LEADERS E&O			
Policy Form	Claims Made	Claims Made	Claims Made
Retroactive Date	Not Applicable	Not Applicable	9/1/2018
			Full prior acts available at no additional charge with evidence of prior carrier declaration pages
Limit (Annual Aggregate)	$ 1,000,000	$ 1,000,000	$ 1,000,000
-Defense Outside Limit	Outside Limit	Outside Limit	Outside Limit
Retentions:	$ 50,000	$ 50,000	$ 25,000
Duty to Defend or Indemnity Form	Duty to Defend	Duty to Defend	Duty to Defend
Defense Coverage Breach of Employment Contract	Defense Only	Defense Only	Defense & Damages
Coverage Sexual Misconduct - Employment Practice Claims Only	Defense & Damages	Defense & Damages	Defense & Damages
Coverage Sexual Misconduct - Other than Employment	Defense & Damages	Defense & Damages	Defense Only
Defense for Individuals w/Disabilities suits	Yes	Yes	Yes
Coverage Discrimination of race or national origin	Yes	Yes	Yes
Adm. Hearings - ADR, Spec. Ed., EEOC	Not Covered. Coverage may be provided when a claim proceeds to court level.	Not Covered. Coverage may be provided when a claim proceeds to court level.	Yes
PREMIUM:	**$ 68,699**	**$ 92,746**	**$ 56,857**
Notes:	See proposal clarification re: coverage for sexual misconduct claims	See proposal clarification re: coverage for sexual misconduct claims	Contingent to GL offer
GENERAL LIABILITY			
Limits:			
- General Aggregate	Not Applicable	Not Applicable	$ 2,000,000
- Products/Completed Ops Agg		Property Damage to products or work is excluded	$ 1,000,000
- Personal & Advertising Injury	Included	Included	$ 1,000,000
- Each Occurrence	$ 1,000,000	$ 1,000,000	$ 1,000,000
- Damage to Premises Rented to You	Not Covered	Not Covered	$ 500,000
- Medical Expense	Excluded	Excluded	$ 5,000
Deductible:	$ -	$ -	$ -
Sexual Misconduct Coverage Agg.	See School Leaders E&O	See School Leaders E&O	$ 1,000,000
Employee Benefits Liablity	$ 100,000	$ 100,000	$ 1,000,000
-Policy Form	Occurrence	Occurrence	Claims Made
-Retro Date	N/A	N/A	09-01-18
			Full prior acts available at no additional charge with evidence of prior carrier declaration pages
-Deductible	$ -	$ -	$ 1,000
Premium	**Included School Leaders E&O**	**Included School Leaders E&O**	**$ 44,065**

SOUTH TEXAS COLLEGE
School Leaders E&O, General Liability and Law Enforcement, Automobile Insurance
RFP #18-19-1001

Proposer	Current Program Texas Association of School Boards	Proposal Texas Association of School Boards	Proposal Montalvo Insurance
Insurance Company	TASB Risk Management Fund	TASB Risk Management Fund	Markel Insurance Co.
A. M. Best Rating (A VIII or better)	Not Applicable	Not Applicable	A XV
Admitted/Non-Admitted	Not Applicable	Not Applicable	Admitted
LAW ENFORCEMENT			
Limit of Liability	Included	Included	$ 1,000,000
Policy Form			Claims Made
Retro Date			09-01-18
			Full prior acts available at no additional charge with evidence of prior carrier declaration pages
Deductible	$ -	$ -	$ 1,000
Premium	**Included School Leaders E&O**	**Included School Leaders E&O**	**Included in General Liability**
AUTOMOBILE			
# Units	61	78	78
Liability Limits:	$100,000./$300,000./$100,000.	$100,000./$300,000./$100,000.	$300,000
Liability Deductible	$ 1,000	$ 1,000	$ 1,000
Physical Damage:	ACV	ACV	ACV
- Comprehensive Deductible	$ 1,000	$ 1,000	$ 1,000
- Collision Deductible	$ 1,000	$ 1,000	$ 1,000
- Hired Car Physical Damage Limit	For vehicles leased less than 30 days covered under Auto Liability (excess coverage); for vehicles leased longer covered under auto physical damage. (1)	For vehicles leased less than 30 days covered under Auto Liability (excess coverage); for vehicles leased longer covered under auto physical damage. (1)	$ 50,000
Premium	$ 30,808	$ 39,595	$ 56,304
Delete Uninsured/Underinsured Motor	N/A	N/A	$ (9,013)
Premium w/o Uninsured Motorists	**$ 30,808**	**$ 39,595**	**$ 47,291**
TOTAL PREMIUMS:	**$ 99,507**	**$ 132,341**	**$ 148,213**

Savings Other Lines

EDP through Hartford			$ (45,668)
Inland Marine through Hartford			$ (4,856)
EDP & Inland Marine w/Markel			$ 24,140
Inland Marine Savings			**$ (26,384)**
Crime through Great American			$ (5,172)
Crime through Markel			$ 2,852
Crime Savings			**$ (2,320)**

Savings with Markel

Difference in Casualty Quotes			$ 15,872
Savings Inland Marine			$ (26,384)
Savings Crime			$ (2,320)
Overall Savings			**$ (12,832)**

SHEPARD WALTON KING
INSURANCE GROUP

June 15, 2018

Ms. Maria G. Elizondo
Finance and Administrative Services
South Texas College
P. O. Box 9701
McAllen, TX 78501

RE: Workers Compensation Effective September 1, 2018

Dear Ms. Elizondo:

Only one proposal was received from Carlisle Insurance Agency through Texas Mutual Insurance at premium of $236,000. This quote is in-network quote requiring notification of employees of your participation in the network and requiring they use in-network physicians.

We recommend purchase of the Workers' Compensation Coverage from Texas Mutual through Carlisle Insurance Agency for the period September 1, 2018 to August 31, 2019 for an annual deposit premium of $236,000.

Submitted by:

Raul Cabaza, III, CIC
Licensed Risk Manager

Enclosures
AO

121 W. Pecan / McAllen, Texas 78501 / (956) 682-2841 / Fax (956) 630-4015
1906-B East Tyler Avenue / Harlingen, Texas 78550 / 956-423-8755 / Fax (956) 428-0730

SOUTH TEXAS COLLEGE
Workers Compensation Insurance
RFP #17-18-1001

Proposer:	**Current Program** Carlisle Insurance	**Proposal** Carlisle Insurance
Insurance Company	**Texas Mutual Insurance**	**Texas Mutual Insurance**
A.M.Best Rating	A XV	A XV
Admitted/Non-Admitted	Admitted	Admitted
Employers Liability	$1M/$1M/$1M	$1M/$1M/$1M
Payroll Classifications		
- 8810 Clerical	$ 11,462,086	$ 12,004,884
- 8868 Professionals	$ 77,643,817	$ 83,344,197
- 9101 All Other	$ 6,801,401	$ 8,575,907
Total Gross Payroll:	$ 95,907,304	$ 103,924,988
- 8868 Volunteer Instructors[1]	Included	Included
Estimated Premium - In-Network	**$ 227,153**	**$ 236,000**
Estimated Premium - Out-of-Network		**$ 279,632**

[1] Note: Accurate records of Volunteers' hours and days worked should be kept in order to verify a claim when it occurs.

SHEPARD WALTON KING
INSURANCE GROUP

June 15, 2018

Ms. Maria G. Elizondo
Finance and Administrative Services
South Texas College
P. O. Box 9701
McAllen, TX 78501

Re: Foreign Liability Coverage Effective September 1, 2018

Dear Ms. Elizondo:

Only one proposal for foreign liability insurance was received from Montalvo Insurance Agency through Ace American Insurance Company at premium of $8,201. An alternate indication was provided through Markel Insurance, however, it is not a bindable quote and thus was not taken into consideration

Due to employee travel to Mexico and territory restrictions under the domestic policies, we recommend the purchase of a Foreign Liability Insurance Policy.

We recommend purchase of the Foreign Liability Insurance Coverage from Ace American Insurance through Montalvo Insurance Agency for the period from September 1, 2018 to August 31, 2019 for an annual premium of $8,201.

Submitted by:

Raul Cabaza, III, CIC
Licensed Risk Manager
Enclosures
AO

121 W. Pecan / McAllen, Texas 78501 / (956) 682-2841 / Fax (956) 630-4015
1906-B East Tyler Avenue / Harlingen, Texas 78550 / 956-423-8755 / Fax (956) 428-0730

SOUTH TEXAS COLLEGE
Foreign Liability Insurance
RFP #18-19-1001

Proposer:	Current Program Montalvo Insurance Agency	Proposal Montalvo Insurance Agency
Insurance Company	**Ace American Ins. Co.**	**Ace American Ins. Co.**
A.M. Best	A++ XV	A++ XV
Admitted/Non-Admitted	Admitted	Admitted
General Liability		
Each Occurrence	$ 1,000,000	$ 1,000,000
General Aggregate	$ 2,000,000	$ 2,000,000
Products/Co. Ops Aggregate	$ 2,000,000	$ 2,000,000
Damage to Premises Rented to You Limit (any one premises)	$ 1,000,000	$ 1,000,000
Personal & Advertising Injury	$ 1,000,000	$ 1,000,000
Medical Expense Limit	$ 25,000	$ 25,000
Employee Benefits Liability ($1,000 Ded.)	$ 1,000,000	$ 1,000,000
Automobile Liability - Contingent	$ 1,000,000	$ 1,000,000
Total Premium	**$ 8,201**	**$ 8,201**

SHEPARD WALTON KING
INSURANCE GROUP

June 15, 2018

Ms. Maria G. Elizondo
Finance and Administrative Services
South Texas College
P. O. Box 9701
McAllen, TX 78501

RE: Cyber Liability Effective September 1, 2018

Dear Ms. Elizondo:

Two proposals were received for the Cyber Coverage. Both proposals were from Montalvo Insurance, one through Illinois National Insurance Company, an admitted company, at premium of $18,513. and the second proposal through Indian Harbor Insurance, a non-admitted company, at premium of $15,565. Since an admitted proposal is available, the non-admitted proposal has not been considered.

We recommend purchase of Cyber coverage through Montalvo Insurance with Illinois National Insurance Company for the policy period September 1, 2018 through August 31, 2019 at an annual premium of $18,513.

Submitted by:

Raul Cabaza, III, CIC
Licensed Risk Manager

Enclosures
AO

121 W. Pecan / McAllen, Texas 78501 / (956) 682-2841 / Fax (956) 630-4015
1906-B East Tyler Avenue / Harlingen, Texas 78550 / 956-423-8755 / Fax (956) 428-0730

SOUTH TEXAS COLLEGE
Cyber Liability
RFP #18-19-1001

Proposer	**Current Program** Montalvo Insurance	**Bid Proposal** Montalvo Insurance	**Bid Proposal** Montalvo Insurance
Insurance Company	**Illinois National Ins. Company**	**Illinois National Ins. Company**	**Indian Harbor Ins. Co.**
A.M. Best Rating	A XV	A XV	Au XV
Admitted/Non-Admitted	Admitted	Admitted	Non-Admitted
Policy Aggregate Limit	$ 1,000,000	$ 1,000,000	$ 1,000,000
Notification Expenses Inside/Outside Limit	Inside	Inside	Inside
Coverage			
Network and Information Security (incl Notification)	Included	Included	Included
Communications and Media Liability	Included	Included	Included
Regulatory Defense Expenses	Included	Included	Included
Crisis Management Event Expenses	Included	Included	Included
Computer Program and Electronic Data Rest. Exp.	Included	Included	Included
E-Commerce Extortion	Included	Included	Included
Business Interruption & Extra Expense	Included	Included	Included
Deductible:	$ 10,000	$ 10,000	$ 10,000
Waiting Period (Network Interruption Ins.)	12 Hours	12 Hours	10 Hours
Retroactive Date			
-Media Content, Security & Privacy, Regulatory Action	Full Prior Acts	Full Prior Acts	Full Prior Acts
Extortion, Reputation Guard	Not Applicable	Not Applicable	Not Applicable
Continuity Date	09-01-17	09-01-17	N/A
Premium:	**$ 18,513**	**$ 18,513**	**$ 15,565**
Optional Quote - $2M Limit			**$ 21,713**

SOUTH TEXAS COLLEGE
PROPERTY AND CASUALTY INSURANCE
PROPERTY / INLAND MARINE INSURANCE
PROJECT NO. 18-19-1001
EVALUATION SUMMARY

VENDOR		Montalvo Insurance Agency	
ADDRESS		208 S Texas Blvd	
CITY/STATE/ZIP		Weslaco, TX	
PHONE		956-968-5521	
FAX		956-969-9198	
CONTACT		Ramon Montalvo, III	
1	The purchase price. (up to 60 points)	60	60
		60	
		60	
		60	
2	The reputation of the vendor and the vendor's goods or services. (up to 8 points)	8	7.5
		7	
		7	
		8	
3	The quality of the vendor's goods and/or services. (up to 14 points)	13	12.75
		12	
		13	
		13	
4	The extent to which the vendor's goods and/or services meet the College's needs. (up to 14 points)	13	12.25
		12	
		13	
		11	
5	The vendor's past relationship with the College. (up to 3 points)	2	2.25
		2	
		2	
		3	
6	The impact on the ability of the College to comply with laws relating to Historically Underutilized Businesses. (up to 1 point)	0	0
		0	
		0	
		0	
TOTAL EVALUATION POINTS		94.75	
RANKING		1	

SOUTH TEXAS COLLEGE
PROPERTY AND CASUALTY INSURANCE
CRIME INSURANCE
PROJECT NO. 18-19-1001
EVALUATION SUMMARY

	VENDOR	Acrisure, LLC./dba Carlisle Insurance		Montalvo Insurance Agency	
	ADDRESS	500 N Water St Ste 900		208 S Texas Blvd	
	CITY/STATE/ZIP	Corpus Christi, TX 78401		Weslaco, TX	
	PHONE	361-884-2775		956-968-5521	
	FAX	361-884-3470		956-969-9198	
	CONTACT	Chase Carlisle		Ramon Montalvo, III	
1	The purchase price. (up to 60 points)	33	32.25	60	60
		33		60	
		33		60	
		30		60	
2	The reputation of the vendor and the vendor's goods or services. (up to 8 points)	8	7.5	8	7.25
		7		7	
		8		7	
		7		7	
3	The quality of the vendor's goods and/or services. (up to 14 points)	14	12.75	13	12
		12		12	
		13		12	
		12		11	
4	The extent to which the vendor's goods and/or services meet the College's needs. (up to 14 points)	14	12.75	13	12.5
		12		12	
		13		14	
		12		11	
5	The vendor's past relationship with the College. (up to 3 points)	3	3	2	2.25
		3		2	
		3		2	
		3		3	
6	The impact on the ability of the College to comply with laws relating to Historically Underutilized Businesses. (up to 1 point)	0	0	0	0
		0		0	
		0		0	
		0		0	
TOTAL EVALUATION POINTS		68.25		94	
RANKING		2		1	

SOUTH TEXAS COLLEGE
PROPERTY AND CASUALTY INSURANCE
CASUALTY INSURANCE
PROJECT NO. 18-19-1001
EVALUATION SUMMARY

VENDOR		Montalvo Insurance Agency		TASB Risk Management Fund	
ADDRESS		208 S Texas Blvd		12007 Research Blvd	
CITY/STATE/ZIP		Weslaco, TX		Austin, TX 78759-2439	
PHONE		956-968-5521		800-482-7276	
FAX		956-969-9198		512-467-3645	
CONTACT		Ramon Montalvo, III		Dubravka H. Romano	
1	The purchase price. (up to 60 points)	60	60	57	57
		60		57	
		60		57	
		60		57	
2	The reputation of the vendor and the vendor's goods or services. (up to 8 points)	8	7.25	8	7.75
		7		7	
		7		8	
		7		8	
3	The quality of the vendor's goods and/or services. (up to 14 points)	13	12	14	12.75
		12		12	
		12		13	
		11		12	
4	The extent to which the vendor's goods and/or services meet the College's needs. (up to 14 points)	13	13	13	12.75
		12		12	
		14		13	
		13		13	
5	The vendor's past relationship with the College. (up to 3 points)	2	2.25	3	3
		2		3	
		2		3	
		3		3	
6	The impact on the ability of the College to comply with laws relating to Historically Underutilized Businesses. (up to 1 point)	0	0	0	0
		0		0	
		0		0	
		0		0	
TOTAL EVALUATION POINTS		94.5		93.25	
RANKING		1		2	

SOUTH TEXAS COLLEGE
PROPERTY AND CASUALTY INSURANCE
WORKERS COMPENSATION INSURANCE
PROJECT NO. 18-19-1001
EVALUATION SUMMARY

VENDOR		Acrisure, LLC./dba Carlisle Insurance	
ADDRESS		500 N Water St Ste 900	
CITY/STATE/ZIP		Corpus Christi, TX 78401	
PHONE		361-884-2775	
FAX		361-884-3470	
CONTACT		Chase Carlisle	
1	The purchase price. (up to 60 points)	60	60
		60	
		60	
		60	
2	The reputation of the vendor and the vendor's goods or services. (up to 8 points)	8	7.5
		7	
		8	
		7	
3	The quality of the vendor's goods and/or services. (up to 14 points)	14	13
		12	
		13	
		13	
4	The extent to which the vendor's goods and/or services meet the College's needs. (up to 14 points)	14	13
		12	
		13	
		13	
5	The vendor's past relationship with the College. (up to 3 points)	3	3
		3	
		3	
		3	
6	The impact on the ability of the College to comply with laws relating to Historically Underutilized Businesses. (up to 1 point)	0	0
		0	
		0	
		0	
TOTAL EVALUATION POINTS		96.5	
RANKING		1	

SOUTH TEXAS COLLEGE
PROPERTY AND CASUALTY INSURANCE
FOREIGN LIABILITY INSURANCE
PROJECT NO. 18-19-1001
EVALUATION SUMMARY

VENDOR		Montalvo Insurance Agency	
ADDRESS		208 S Texas Blvd	
CITY/STATE/ZIP		Weslaco, TX	
PHONE		956-968-5521	
FAX		956-969-9198	
CONTACT		Ramon Montalvo, III	
1	The purchase price. (up to 60 points)	60	60
		60	
		60	
		60	
2	The reputation of the vendor and the vendor's goods or services. (up to 8 points)	8	7.25
		7	
		7	
		7	
3	The quality of the vendor's goods and/or services. (up to 14 points)	13	12.5
		12	
		13	
		12	
4	The extent to which the vendor's goods and/or services meet the College's needs. (up to 14 points)	13	12.5
		12	
		13	
		12	
5	The vendor's past relationship with the College. (up to 3 points)	2	2.25
		2	
		2	
		3	
6	The impact on the ability of the College to comply with laws relating to Historically Underutilized Businesses. (up to 1 point)	0	0
		0	
		0	
		0	
TOTAL EVALUATION POINTS		94.5	
RANKING		1	

SOUTH TEXAS COLLEGE
PROPERTY AND CASUALTY INSURANCE
CYBERLIABILITY INSURANCE
PROJECT NO. 18-19-1001
EVALUATION SUMMARY

VENDOR		Montalvo Insurance Agency	
ADDRESS		208 S Texas Blvd	
CITY/STATE/ZIP		Weslaco, TX	
PHONE		956-968-5521	
FAX		956-969-9198	
CONTACT		Ramon Montalvo, III	
1	The purchase price. (up to 60 points)	60	60
		60	
		60	
		60	
2	The reputation of the vendor and the vendor's goods or services. (up to 8 points)	8	7.25
		7	
		7	
		7	
3	The quality of the vendor's goods and/or services. (up to 14 points)	13	12.5
		12	
		13	
		12	
4	The extent to which the vendor's goods and/or services meet the College's needs. (up to 14 points)	13	12.5
		12	
		13	
		12	
5	The vendor's past relationship with the College. (up to 3 points)	2	2.25
		2	
		2	
		3	
6	The impact on the ability of the College to comply with laws relating to Historically Underutilized Businesses. (up to 1 point)	0	0
		0	
		0	
		0	
TOTAL EVALUATION POINTS		94.5	
RANKING		1	