

MINUTES
LAS VEGAS-CLARK COUNTY LIBRARY DISTRICT
BOARD OF TRUSTEES' RISK MANAGEMENT COMMITTEE MEETING
LAS VEGAS, NEVADA
MARCH 9, 2006
(approved April 13, 2006)

The Risk Management Committee of the Board of Trustees of the Las Vegas-Clark County Library District met in the Clark County Library, Las Vegas, Nevada, at 5:00 p.m., Thursday, February 9, 2006.

Present: Board: K Carter, Chair
A. Arthurholtz, Member
F. Sponer

Absent: A. Aguirre

Counsel: G. Welt

Staff: Daniel L. Walters, Executive Director
Numerous Staff

Chair Carter called the meeting to order at 5:15 p.m.

Roll Call Trustees Carter and Arthurholtz were present for roll call. Trustee Sponer arrived at 5:20 and due to heavy traffic, Trustee Aguirre arrived at 5:40.

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

Public Comment (Item III.) None

Motion to recommend to the Board of Trustees' that Acordia, Inc. be appointed as broker of record for property and casualty insurance for the policy year commencing on July 1, 2006. (Item IV.)

Chair Carter stated that the meeting of the Risk Management Committee had been called to recommend to the Board of Trustees a Broker of Record for Property and Casualty Insurance for the policy year commencing on July 1, 2006.

General Services Director Steve Rice gave a summary report to the committee, indicating that Acordia, Inc. is recommended for appointment.

The current appointment of Marsh USA as the District's Broker of Record for property and casualty insurance expires on June 30, 2006. A Request for Statement of Qualifications for Broker of Record was advertised in accordance with purchasing policies. A pre-submittal conference was held on February 3, 2006 with the submittal deadline

on February 13, 2006. A total of six (6) submittals were received.

The evaluation panel was comprised of General Services Director Steve Rice, Deputy Director, CFO Fred James, Assistant Human Resources Director Melissa Peters, Regional Branch Services Director Felton Thomas, and Facilities Manager Brian Owens. The process included a technical review and scoring of each submittal and an interview:

Based on technical review, the brokers were ranked in the following order:

- 1) Acordia, Inc.
- 2) Cragin & Pike, Inc.
- 3) Marsh USA, Inc.
- 4) Lloyd Cutler Insurance
- 5) Kaercher Campbell & Associates (not interviewed)
- 6) Aon (not interviewed)

Upon completion of the technical review and scoring of the submittals, four (4) brokers were selected for interviews.

Broker Ranking Based on Interview:

- 1) Acordia, Inc.
- 2) Cragin & Pike, Inc.
- 3) Lloyd Cutler Insurance
- 4) Marsh USA, Inc.

Acordia, Inc. was ranked number one overall and has been selected for recommendation for appointment.

The appointment will be for the policy year commencing on July 1, 2006. The initial appointment will be for one year with three optional one-year extensions. The Broker of Record receives no direct remuneration from the District. Remuneration is typically received from the insurance company(s) in the form of a commission.

Acordia, Inc. is a Wells Fargo Company and is among the top five largest insurance brokerage firms in the world. The firm employs 4,500 associates and have over 150 offices across the nation.

Acordia's Las Vegas Office was established in 1998 and employs 10 people including three full time risk management specialists. The local office partners with the Phoenix office which has over 90 full time employees. In addition to their local and Phoenix teams, Acordia has extensive depth of resources within their organization nationally to find correct solutions for the District.

The local Acordia team brings a combined total of over 90 years of experience in the analysis, design, implementation, and service of insurance programs. The team members that will be assigned to the District all have excellent public entity experience.

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Charles Dorsey, Senior Vice President, will be the District's Account Executive. He has over 27 years of property and casualty insurance experience including 19 years in Las Vegas with Marsh USA, the District's current broker. He is a Certified Insurance Counselor (CIC) and a Certified Risk Manager (CRM).

Mr. Dorsey has extensive experience in both the public and private sectors designing and implementing risk transfer and risk management programs. In the public sector, he has been Client Executive for the:

- Las Vegas-Clark County Library District (last four years)
- Las Vegas Convention and Visitors Authority
- Las Vegas Valley Water District, Southern NV Water Authority and Colorado River Commission
- Clark County
- Clark County Department of Aviation
- Las Vegas Metropolitan Police Department
- City of Las Vegas

Acordia's submittal was concise, tailored to the District's needs and spoke to both their national resources and local office assets.

In the interview, Mr. Dorsey was well prepared to address the general insurance risks of public libraries.

Acordia has national resources monitoring the status of insurance carriers and does not rely on the insurance carriers for information but rather has extensive corporate resources monitoring trends in the industry and financial markets.

The maximum commission percentage Acordia will accept on any policy placed on behalf of the District while acting as Broker is 12.5%.

Counsel Welt asked that Mr. Dorsey submit a written document stating that his former affiliation with Marsh USA, Inc. would not have any reason for concern regarding his position at Acordia.

Trustee Arthurholtz moved to recommend to the Board of Trustees that Acordia, Inc. be appointed as Broker of Record for property and casualty insurance for the policy year commencing on July 1, 2006. There was no opposition and the motion was approved.

Adjournment (Item VI.)

The meeting was adjourned at 5:30 p.m.

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Respectfully submitted,

K. Carter, Committee Chair