

BREAKDOWN INSURANCE

THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:

Authorize placement of the Board's "all risk" property insurance with North American Specialty Insurance Company and authorize placement of the Board's Mechanical Breakdown Insurance with Hartford Steam Boiler Inspection and Insurance Company. All of the proceeding coverage's shall not exceed a cost to the Board's property insurance broker in these placements are both continuations of existing policies. The policy terms and no further written documentation is required. Information pertinent to this matter is stated below.

Specification No: 00-250639

INSURANCE CARRIERS:

1: "All Risk" Property Insurance

2. Mechanical Breakdown Insurance

Hartford Steam Boiler Inspection and Insurance Company

North American Specialty Insurance Company

Manchester NH 03101

2448 Warrenville Road
Itasca IL 60142

VENDOR:
Arthur J. Gallagher & Company
Two Pierce Place
Itasca IL

USER:
Bureau of Risk and Benefits Management
125 South Clark Street 14th Floor
Georgette Hampton, Director
(773) 553-2818

Phone: 630 285-3624

Vendor#: 32164

The "All Risk" property insurance policy and mechanical breakdown policy shall be renewed on July 1, 2002. This is the second year of a three-year renewal. The Board has a rate guarantee to renew the "All Risk" property policy at a rate not to exceed 10% per year. The term of the continuation of the mechanical breakdown policy shall commence on July 1, 2001 and shall end on July 1, 2002. The term under which the mechanical breakdown policy shall be renewed is 01 per \$100.

DESCRIPTION OF POLICIES:

The aggregate insured value of the Board's property is in excess of \$11 billion, on a current replacement cost

PREMIUM: All premium payments will be made through Arthur J. Gallagher & Company for payment to the Association. Premiums are based on the amount of the Reserve of Risk & Profit and in the event of a change in property values.

Coverage	Rates	Not to Exceed
----------	-------	---------------