

**AIS INSURANCE  
FALL 2006 REPORT  
MICHELLE SNYDER - CHAIR PERSON**

This report brings some rather strange and wonderful news to the AIS. Our renewal policy arrived showing the coverage for this year was essentially the same except there was a 5% increase in the amount of coverage for our personal property due to a built in automatic allowance for inflation.

The strange news is that our premium for this year for the package policy which, of course, includes coverage for property, liability and crime, is **only \$8,568.00**, compared to last years premium of \$20,572.00. When I was first given the renewal premium number, I called the broker immediately and asked how could this be. How could the premium be so small, especially in light of what we have paid the last two years? Originally, we all thought the insurance company had made a mistake and forgot to put a one in front of the eight. The broker had mentioned a possible decrease in the premium of about 10% from last year and an approximate \$18,000 premium would have seemed to be in line with this drop.

When I got the renewal policy there was a letter from the broker which stated in part: "I have confirmed several times with our underwriter that the premium is correct and is the result of the rate fluctuations we are seeing in the market." I don't profess to understand what the insurance company underwriters' use to base policy premiums on but I have been told not to look a gift horse in the mouth. Just enjoy the reduction in premium this year as there is no guarantee that next year's premium won't be back up to around what we paid last year.

I know the board has been very concerned about the cost of insurance, especially in light of what we have had to pay the last two years. I want to make it very clear that even though this year's premium is so low, we cannot assume next years or the following years premium will remain as low. Insurance Companies are fickle and we must be prepared for a possible substantial increase to somewhere around what we have recently had to pay.

I propose any monies donated to date be set aside and held in reserve for the potential increase in premium next year.

Respectfully submitted,

Michelle Snyder  
Insurance Chair