



State of Louisiana

Division of Administration
Office of the Commissioner

FOR IMMEDIATE RELEASE

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State Names New Property Insurance Broker

BATON ROUGE - Today, the Office of Risk Management (ORM) announced the selection of Arthur J. Gallagher & Co. as the state's property insurance broker. Gallagher will work with ORM to restructure the state's property insurance program and obtain the best possible coverage for the price.

Gallagher was awarded a three year contract for \$1.1 million a year, including broker services for LSU. The new contract will save the state \$3.4 million each year in broker fees alone. Additional savings will be realized through negotiations with the state's insurers.

"This is the first step in the transformation of our property program," said Bud Thompson, Executive Director at ORM. "Gallagher will not only save money in broker fees, they will help us reduce the actual insurance costs to the state."

In a recent survey of 14 states, Louisiana was the only state that procured insurance by issuing an RFP with detailed insurance specifications. Act 715 of the 2014 Legislative Session changed that, allowing ORM to select a broker of record who will work with the state and insurers to negotiate coverage and price. This method reduces cost by increasing competition and flexibility.

ORM is expected to save a total of \$20 million this year and \$60 million over the next three years by working with the new broker.

Seven other bids were considered in the RFP process. Gallagher's award was based on a variety of factors, including their strong presence in Louisiana and their partnership with Noah W. Lewis and Associates in New Orleans.

Click [here](#) for more information on Arthur J. Gallagher & Co.

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