

Personnel Management and Services  
Nelson E. Diaz, Deputy Superintendent

**SUBJECT: REQUEST FOR RENEWAL OF WLRN RADIO AND TELEVISION INSURANCE COVERAGES**

At the Board meeting of March 17, 1999, the Board authorized the renewal of the property insurance and liability insurance coverages for WLRN radio and television operations, effective March 23, 1999, with the ability to extend the renewal for two additional one-year periods, subject to no increase in premiums. All insurance markets are experiencing increases in premiums resulting from poor underwriting experience, and the higher cost of reinsurance coverage, therefore the companies were unwilling to renew the program at the same premiums, effective March 23, 2000.

To properly negotiate the program's renewal, which is provided by the provisions of State Board Rule 6A-1.012(11), the program was extended at the authorized rate from March 23, 2000 through June 30, 2000. Following negotiations with carriers, staff and the Board's insurance broker, Arthur J. Gallagher & Co., Miami, Florida have been successful in negotiating a minimal increase in the renewal of the WLRN coverages, without any restriction in coverages. With the new effective date of July 1, 2000, this program will now be on the same fiscal year renewal schedule as most of the Board's liability coverages, which is preferable.

A comparison of the current premiums and recommended renewal premiums are as follows:

- ▶ *COMMERCIAL PACKAGE INCLUDING LIABILITY COVERAGE OF \$1 MILLION EACH OCCURRENCE/\$2 MILLION ANNUAL AGGREGATE, AS WELL AS PERSONAL PROPERTY/TRANSMITTER/HEAD-INEQUIPMENT OF \$1,260,000, SUBJECT TO DEDUCTIBLES OF \$1,000 PER OCCURRENCE, EXCEPT WINDSTORM WHICH IS \$40,000 at Location #1 and \$25,000 at Location #2.*

| <u>1999-2000 Annual Premium</u> | <u>2000-2001 Annual Premium</u> | <u>Increase</u> |
|---------------------------------|---------------------------------|-----------------|
| \$16,704                        | \$18,476                        | \$1,772 (11%)   |

- ▶ *UMBRELLA EXCESS LIABILITY PROVIDING EXCESS LIMITS OVER PACKAGE POLICY OF \$1 MILLION EACH OCCURRENCE/\$1 MILLION ANNUAL AGGREGATE.*

| <u>1999-2000 Annual Premium</u> | <u>2000-2001 Annual Premium</u> | <u>Increase</u> |
|---------------------------------|---------------------------------|-----------------|
| \$1,500                         | \$1,560                         | \$60 (4%)       |

RECOMMENDED:

That The School Board of Miami-Dade County, Florida,

1. approve renewal of the Broadcaster's package policy with Vigilant Insurance Company (CHUBB), A. M. Best A++ XV, for specified limits of liability and coverages for one year, with the ability to automatically renew for two additional one-year periods, subject to no increase in premium, effective July 1, 2000, at an annual premium of \$18,476; and
2. approve renewal of its commercial excess umbrella coverage with Federal Insurance Company (CHUBB), A. M. Best A++ XV, for one year, with the ability to automatically renew for two additional one-year periods, subject to no increase in premiums, effective July 1, 2000, at an annual premium of \$1,560.

NED:sc