

Personnel Management and Services
Nelson E. Diaz, Deputy Superintendent

**SUBJECT: REQUEST FOR CONFIRMATION OF AUTHORIZATION TO PURCHASE
CATASTROPHIC ATHLETIC ACCIDENT INSURANCE COVERAGE**

Pursuant to the authority granted in State Board Rule 6A-1.012 (11), whereby the Board is authorized to directly negotiate and enter into contracts for insurance or risk management programs, the current broker for the Catastrophic Athletic Accident Insurance Program, Arthur J. Gallagher & Co. has provided renewal quotations for this coverage.

This program was initially awarded to Life Insurance Company of North America (A.M. Best A+XV), through Arthur J. Gallagher & Co. through the issuance of an Request For Proposal (RFP) issued by the Florida School Board Association/Florida School Board Insurance Trust (FSBA/FSBIT) to comply with the Florida High School Activities Association's (FHSA) requirement that all school districts carry catastrophic medical coverage. At the Board meeting of August 25, 1999, the Board authorized a two year renewal of this coverage, including excess medical benefits of \$5 million and a maximum catastrophic cash benefit of \$500,000, with a per incident deductible of \$25,000, with a flat annual premium of \$56,614. Renewal terms from the current carrier included a 15% premium increase, resulting in an annual premium of \$65,106, which lead Arthur J. Gallagher to seek competitive quotations from other carriers for districts within the statewide program. Mutual of Omaha (A.M. Best A XIV) has provided an alternative quotation for the Board's program at current benefit levels. The program consists of a two year policy with the first year's annual premium at \$59,980, which reflects a 5.95% increase from the current premium level, and a second year guaranteed premium of \$61,500, reflecting a 2.6% increase for policy year August 1, 2002 through August 1, 2003.

Staff is recommending that the Board purchase its Catastrophic Athletic Accident Insurance Program from Mutual of Omaha inclusive of a two year policy with annual premiums of \$59,980, effective August 1, 2001, and \$61,500, effective August 1, 2002. Because of the FHSA's requirement for certificates of insurance to be on file with that office with an effective date of August 1, 2001, Mutual of Omaha has bound this coverage with an effective date of August 1, 2001, subject to Board confirmation.

RECOMMENDED: That The School Board of Miami-Dade County, Florida authorize confirmation of the purchase of its catastrophic athletic accident insurance coverage, including excess medical benefits of \$5 million and a maximum catastrophic cash benefit of \$500,000, with a per incident deductible of \$25,000 from Mutual of Omaha (A.M. Best A XIV), through Arthur J. Gallagher & Co., with a two year policy period, with an annual premium of \$59,980, effective August 1, 2001, and \$61,500, effective August 1, 2002.

NED:sc