

Financial Affairs  
Richard H. Hinds, Chief Financial Officer

**SUBJECT:           REQUEST FOR AUTHORIZATION TO ISSUE REQUEST FOR  
INFORMATION (RFI) #084-CC10, BROKER SELECTION FOR  
OWNER'S PROTECTIVE PROFESSIONAL INDEMNITY  
INSURANCE**

**COMMITTEE:       FINANCIAL AFFAIRS**

The Board's current specifications for insurance required of design professionals, including architects and engineers, mandates project specific professional liability insurance coverage. As a result of the current insurance market conditions, this type of coverage is very costly and somewhat unavailable.

In order to continue to provide the Board the best financial protection when contracting with design professionals, staff is exploring the possibility of having the Board purchase a coverage referred to as Owner's Protective Professional Liability Insurance (OPPI). This coverage would act as catastrophic coverage in excess of the coverage carried by the design professional. Purchase of the OPPI would afford the Board the ability to structure professional liability insurance requirements on a graduated scale, commensurate with the size of the project. In theory, the fees negotiated with the design professionals could be reduced in some instances as their cost of insurance is reduced as a result of not requiring project specific coverage in all instances. This savings would be used to offset the Board's premiums for the OPPI coverage.

Because the OPPI coverage is a relatively new concept, only a few insurance companies are writing the coverage. In order to maximize the Board's ability to obtain the best terms and conditions for purchase of this coverage, staff is recommending that a Request For Information (RFI) be utilized to select an insurance broker to market the coverage on the Board's behalf. Once the Board approves a broker through the RFI process, the successful broker will obtain competitive proposals from interested insurers, and a final recommendation for purchase of the OPPI coverage will come back to the Board at a future Board meeting.

**REPLACEMENT  
G-47**

Copies of the RFI are being sent to the Board Members under separate cover and are available at Citizens Information.

Pursuant to School Board Rule 6GX13- 3F-1.022, Professional Service Contracts for Insurance or Risk Management Programs - Policy, an Ad-Hoc Insurance Committee will review received proposals, and make recommendations which will be taken to the Board at a future Board meeting. The Ad-Hoc Insurance Committee will consist of the following:

School Board Member  
Chief Financial Officer  
Chief Financial Officer - Designate  
Chief Business Officer  
Administrative Director, Facilities Planning and Construction  
Risk and Benefits Officer  
Director, Business Development and Assistance

Additionally, a representative from the Board Attorney's Office, the Office of Procurement Management, and the Board's Insurance Consulting Firm will serve as non-voting resource persons to the Ad-Hoc Committee.

- RECOMMENDED:            That The School Board of Miami-Dade County, Florida:
1.     authorize the Superintendent to issue Request For Proposal (RFP)# 084-CC10, Broker Selection For Owner's Protective Professional Indemnity Coverage (OPPI);
  2.     approve the Ad-Hoc Committee; and
  3.     appoint a School Board Member to serve on the Ad-Hoc Committee.

RHH:sc