

Office of Risk and Benefits Management
Board Meeting of May 14, 2003

May 8, 2003

Financial Affairs
George M. Burgess, Chief Financial Officer

SUBJECT: STUDENT ACCIDENT INSURANCE PROGRAM

COMMITTEE: BUSINESS AND FINANCIAL SERVICES

At the Board meeting of April 9, 2003, the Board authorized the Superintendent to negotiate a replacement student accident program for the 2003-2004 school year through School Insurance of Florida, Inc., or its successor, based upon the fact that the current insurer, Hartford Life Insurance Company (A.M. Best A++ XI), had issued a notification of non-renewal.

Mr. Joe Hughes, previously of School Insurance of Florida, Inc., and now with Joe Hughes Insurance, Inc., d/b/a School Insurance of Florida, Inc., has notified staff that he has been in negotiations with a carrier which is willing to underwrite the Board's student accident insurance program for school year 2003-2004, with little or no changes from the structure of the present program.

The Miami-Dade County School Board has provided a voluntary student accident insurance program for its students for years. This low cost accident coverage is offered to all students at the beginning of each school year, and is also offered to new students entering M-DCPS throughout the year. Students purchase the coverage voluntarily at their own expense, however, the following School Board Rules require the purchase of the Board approved accident insurance programs:

6Gx13- 6A-1.34, Community Schools, and the Community Schools Procedures Manual, which is incorporated by reference as part of that rule, requires students upon registration who enroll in School Board run before/after school care programs, to purchase the basic "school time only" student accident insurance; and

6Gx13- 6A-1.161, Interscholastic Athletics - High School, which requires athletes participating in interscholastic athletics to purchase the appropriate accident insurance coverage (student accident insurance for all interscholastic athletics, other than football, and football accident for interscholastic football).

**REPLACEMENT
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Both policies have a provision to pay incurred claims, in addition to any other collectible insurance, in the event that a student does have medical coverage.

Since a majority of M-DCPS students do not have health insurance, and therefore do not have access to healthcare, the student accident insurance provides low cost coverage to pay for medical bills incurred as a result of injuries. The ability to have an injured student's medical bills paid by this coverage also provides insulation to the Board from litigation arising out of student accidents. Under Florida law, the Board does not have the legal authority to gratuitously pay medical bills incurred by an injured student, or their family, unless it can be proven that the Board was legally liable for the injury due to negligence, etc.

Subsequent to the original authorization of the current student accident insurance program, the Board authorized renewal of the program for the 2001-2002 school year, which included a high option alternative, comprised of double benefits at higher premiums. Currently 51,660 student participate in the student accident program, including 49,938 who purchase one of the basic programs, and 1,722 who purchase one of the double benefit programs. As part of the negotiations which took place with the new carrier, to keep the premiums the same next year as they have been for the past several years, Reliance Standard requested that the high option program not be offered. Being that only three percent of the covered students were enrolled in one of the double benefit programs, staff is recommending that the renewal program be limited to the basic school time and 24 hour coverages.

Staff is now recommending that the following program be implemented for the 2003-2004 school year, in accordance with the terms of RFB 298-RR-10, and pursuant to the authority provided by State Board Rule 6A-1.012(11), wherein the Board may enter into contracts for risk management and insurance through either the bid process, or through direct negotiations, **with premiums for the 2003-2004 school year being the same as is currently in place for the 2002-2003 school year:**

<u>GRADES COVERED</u>	<u>COVERAGE TYPE</u>	<u>PREMIUM</u>
PRE-K THROUGH 6 TH GRADE (Includes Before/After School Program)	SCHOOL TIME	\$ 6.00
7 th GRADE THROUGH 12 TH GRADE (Includes Vocational, Adult and Faculty)	SCHOOL TIME	\$ 9.00
ALL ELIGIBLE PARTICIPANTS	24-HOUR COVERAGE	\$31.00
ALL ELIGIBLE PARTICIPANTS	ADDITIONAL DENTAL	\$ 2.00

Staff is recommending that work begin on a new Request For Proposal (RFP) for its student accident coverage to become effective the beginning of the 2004-2005 school year. In conjunction with the creation of this RFP, staff will be working with the risk managers in Broward and Palm Beach Counties, as well as other members of the Florida Educational Risk Manager's Association (FERMA) to explore the possibility of creating a multi-county student accident insurance program in the future.

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

1. authorize renewal of its student accident insurance program, pursuant to the terms and conditions of Request For Bid (RFB)# 298-RR-10, and State Board Rule 6A-1.012(11), to Reliance Standard Life Insurance Company of Philadelphia, Pennsylvania (A.M. Best A-VIII), through Joe Hughes Insurance, Inc., d/b/a School Insurance of Florida, Inc., Orlando, Florida, or a one-year period, effective August 25, 2003, the first day of the 2003-2004 fall school year, through the first day of the 2004-2005 school year, at the following rates:

SCHOOL TIME ONLY: \$ 6.00
(Pre-K through 6th)

SCHOOL TIME ONLY: \$ 9.00
(7th through 12th)

24-HOUR COVERAGE: \$ 31.00
(ALL GRADES)

OPTIONAL DENTAL \$ 2.00
(ALL GRADES)

2. authorize staff to begin working on a Request For Proposal (RFP) for student accident insurance to be brought back to the Board for authorization to release such RFP, with coverage to begin the first day of the 2004-2005 school year; and

3. authorize staff to work with Broward County Schools, Palm Beach County Schools, and any other interested Florida School Board, through the Florida Educational Risk Manager's Association (FERMA), to explore the creation of a multi-county student accident insurance program.

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