

Financial Affairs  
Edward Marquez, Chief Financial Officer

**SUBJECT: RENEWAL OF COMMERCIAL GENERAL LIABILITY FACILITIES  
USE POLICY**

**COMMITTEE: BUSINESS AND FINANCIAL SERVICES**

Pursuant to the provisions of School Board Rule 6Gx13- 1D-1.10, Use of School Board Facilities – Application and Approval, a renter of School Board facilities shall provide a certificate of insurance showing evidence of Commercial General Liability Insurance, with minimum limits of \$300,000 per occurrence. As it does with all outside vendors, including General Contractors, Architects and Engineers, as well as those companies under contract through the Office of Procurement Management, including private bus companies, the Office of Risk and Benefits Management is responsible for obtaining and verifying coverages provided by third parties.

If the renter does not carry the required insurance, then the renter can procure such insurance through the Board-provided Facilities Use Insurance Policy for a specific premium charge determined by the insurance company. The premium charge is dependent upon the type of function being held, and once paid by the renter, they are provided with a certificate of insurance coverage.

Staff is recommending renewal of this insurance program. The Board is authorized to renew this coverage pursuant to the provisions of School Board Rule 6A-1.012(11), wherein the Board may purchase insurance by direct negotiations and contract.

The deposit premium for this program for the policy period of July 1, 2003 to July 1, 2004 was \$11,500, plus a \$35 policy fee. Additionally the Board authorized the purchase of terrorism insurance coverage, pursuant to the passage of the Terrorism Risk Insurance Act of 2002 (TRIA), whereby coverage is provided for "certified acts of terrorism", as delineated in Section 102(1) of the act, for an additional premium of \$1,150, representing 10% of the minimum and deposit premium. Utilization of the Facilities Use Insurance program during the first ten months of the policy (July, 2003 through April, 2004) has generated fees to offset premium paid by the Board, in the amount of \$2,949, which is considerably less than last year's usage.

Renewal terms for this program have been successfully negotiated with the Underwriters to reduce the minimum and deposit premium to \$11,185, which includes the policy fee of \$35 and \$1,150 TRIA-Terrorism coverage. This is a reduction of \$1,500 over expiring premium, which is due to the reduction in the utilization of the program during the current policy period.

All terms and conditions upon renewal are as expiring for all events categorized as Class I, II, and III events, which will be provided to the Board under separate cover. The per claim deductible for bodily injury and property damage, including loss adjustment expense, is increasing from \$250 to \$500, pursuant to insurance company filings. Also, outdoor meetings, including social gatherings, and SWAP meets/Trade Shows will require advance approval by the underwriter, rather than being listed on class schedules as automatically approved.

Staff is recommending that the Board authorize renewal of this program for one additional year, effective July 1, 2005 to July 1, 2006, subject to no change in policy terms, conditions, and premiums.

**RECOMMENDED:**

That The School Board of Miami-Dade County, Florida, authorize renewal of its Commercial General Liability Facilities Use Policy with American Heritage Insurance Company (A.M. Best A+ XV), through Arthur J. Gallagher & Co., for a one-year period, effective July 1, 2004 to July 1, 2005, with a minimum and deposit premium of \$11,185, including \$35 policy fee and \$1,150 TRIA certified terrorism coverage, and authorize a one year extension of that renewal, effective July 1, 2005 to July 1, 2006, subject to no change in terms, conditions, or premiums, subject to the provisions of the policy outlining premium charges for events based upon Class I, II, and III, and outdoor events, requiring prior approval by the underwriter, based upon number of attendees and admissions.

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