

Ofelia San Pedro, Deputy Superintendent  
Business Operations

**SUBJECT:           EXCESS LIABILITY INSURANCE PROGRAM**

**COMMITTEE:       INNOVATION,   EFFICIENCY   &   GOVERNMENTAL  
RELATIONS**

The District's current excess General/Automobile/Professional Liability Errors and Omissions insurance coverage with United Educators Risk Retention Group (A.M. Best A VIII)(UE), through Arthur J. Gallagher & Co. will enter the third year of the current five year contract , effective July 1, 2006. UE currently provides excess insurance coverage to more than 1,100 member universities, independent schools, public school districts, public school pools and related organizations throughout the United States. As education's own insurance company, the resources which are available through UE are vast.

The unique program with UE provides a balance of self insurance and insurance coverages utilizing the limited immunity provided pursuant to the provisions of Section 768.28, Florida Statutes, in conjunction with the latitude to settle claims which could result in adverse judgments against the Board. The structure of the program can also act as a funding mechanism for claims which could result in an administrative claims bill being assessed against the Board in excess of the district's \$100,000/\$200,000 sovereign immunity limits.

Limits provided in this program include \$500,000 per occurrence/\$3,250,000 annual aggregate for General/Auto/Professional Liability claims, as well as excess Professional Liability coverage limits of \$500,000 excess of the primary \$500,000 per wrongful act, subject to an annual aggregate of \$2,500,000. The self insured retention of this program is \$100,000 per claim/\$200,000 any one occurrence applicable for General Liability/Automobile Liability - \$200,000 per wrongful act for School Leaders' Errors and Omissions Professional Liability.

**E-70**

Premiums for the period July 1, 2005-2006 were \$513,031. Staff has been successful in negotiating a reduction in the renewal premium effective July 1, 2006 to \$455,246, a reduction from last year of \$57,785. Staff is recommending renewal of the program as negotiated, effective July 1, 2006 to July 1, 2007, with the remaining two renewal terms of July 1, 2007 – July 1, 2008 and July 1, 2008 to July 1, 2009 to be authorized subject to no increase in the recommended premium, surplus allocation, or change in terms or conditions.

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

1. authorize renewal of the third year of the current excess General/Auto/Professional Liability Errors and Omissions coverage in the amount of \$455,246 with United Educators Risk Retention Group (A.M. Best A VIII), through Arthur J. Gallagher & Co., effective July 1, 2006 for the 2006-2007 policy renewal term; and
2. authorize renewals of the remaining two renewal terms of July 1, 2007-2008 and July 1, 2008 – 2009, subject to no increase in the recommended premium, surplus allocation, or change in terms or conditions from the 2006-2007 program.

OSP:sc