

Financial Services
Richard H. Hinds, Chief Financial Officer

SUBJECT: CONFIRMATION OF COVERAGE AND PREMIUM EXPENDITURES FOR ONE HALF OF THE COMMERCIAL PACKAGE POLICY AND COMMERCIAL EXCESS LIABILITY POLICIES INSURING MIAMI-DADE COLLEGE AND MIAMI-DADE COUNTY PUBLIC SCHOOLS FOR NEW WORLD SCHOOL OF THE ARTS

COMMITTEE: INNOVATION, EFFICIENCY & GOVERNMENTAL RELATIONS

LINK TO STRATEGIC FRAMEWORK: IMPROVE FINANCIAL SERVICES

At the Board meeting of June 16, 2010, the Board authorized staff to negotiate renewal terms and bind coverage for the Commercial Package Policy secured by Miami-Dade College (MDC) and Miami-Dade County Public Schools (M-DCPS) for the operations of New World School of the Arts, effective August 13, 2010, subject to a maximum premium expenditure for one-half of the annual premium, with confirmation of coverage and actual premium expenditures to be brought back to the Board meeting of September 7, 2010.

Annually, the Board has authorized payment for one-half of the annual premium for such coverage pursuant to the authority provided by State Board Rule 6A-1.012(15), wherein the Board is authorized to directly negotiate and enter into contracts for insurance, risk management programs, or third party administrators, making such acquisitions through the bid process or by direct negotiations.

Staff is now confirming the placement of the coverage with Philadelphia Indemnity Insurance Company for coverage which became effective August 13, 2010, to August 13, 2011. The coverage consisting of the Commercial Package Policy provides liability insurance coverage of \$1,000,000 per occurrence/\$2,000,000 annual aggregate and Commercial Excess Liability Policy provides and additional \$1,000,000 liability coverage. The Commercial Package Policy also provides coverage for mutually owned Business Personal Property.

Total annual premiums for all coverages for the 2010-2011 policy term is \$29,826.21, with the Board's responsibility equaling one-half of the premium being \$14,913.10, well within the \$20,000 authority provided by the Board at the June 16, 2010 Board meeting. The expiring premium for 2009-2010 was \$32,745.10 with the School Board's portion being \$16,372.55. Renewal terms represent a 9.7% premium reduction from the expiring premium. The coverages for the renewal policy are the same as expiring coverages.

In previous years, the Board has submitted its premium remittance to the insurance broker handling the transaction for MDC. This year, MDC has remitted the total annual premium of \$29,826.21 to the broker, Arthur J. Gallagher, and has requested that M-DCPS remit its one-half of the premium directly to MDC. As such, authority is requested to remit \$14,913.10 to MDC for coverage for New World School of the Arts for the policy year August 13, 2010 to August 13, 2011.

RECOMMENDED:

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

1. confirm existence of Commercial Liability Insurance coverage for New World School of the Arts, effective August 13, 2010 to August 13, 2011 with total premiums for such coverage totaling \$29,826.21; and
2. authorize reimbursement of one-half of the total annual premium for New World School of the Arts to Miami-Dade College, in the amount of \$14,913.10.

RHH:sbc