

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. 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 Indemnity Insurance (OPPI). This coverage would act as catastrophic coverage in excess of that which coverage which the design professional carries. Purchase of the OPPI would afford the Board the ability to structure professional liability insurance requirements commensurate with the size of the project.

Staff is currently finalizing Request for Information (RFI) #084-CC10, Broker Selection for Owner's Protective Professional Indemnity Insurance, to select the best broker to negotiate an OPPI program for the Board. The issuance of an RFI for purposes of broker selection is being utilized in this instance due to limited number of insurance companies writing this type of coverage.

A completed agenda item will be provided to the Board no later than January 10, 2003.