Office of Superintendent of Schools   September 30, 2009
Board Meeting of October 14, 2009

Financial Services
Richard H. Hinds, Chief Financial Officer

SUBJECT: RENEWAL OF STUDENT PROFESSIONAL LIABILITY
                    INSURANCE FOR SECONDARY STUDENTS ENROLLED
                    IN HEALTH SCIENCE PROGRAMS WITH CLINICAL
                    SETTINGS

COMMITTEE: INNOVATION,   EFFICIENCY   &   GOVERNMENTAL
                    RELATIONS

LINK TO DISTRICT   IMPROVE FINANCIAL SERVICES
STRATEGIC PLAN:

The Health Science Education Division of Career & Technical Education of Miami-Dade
County Public Schools prepares students to become competent workers who meet the
needs and demands of the changing healthcare industry. They accomplish this mission
by providing planned learning experiences, which include placing students in clinical
settings as an integral and critical component of health science education.

In order to provide student training and education in clinical settings, the District has
entered into various affiliating agreements with healthcare providers including hospitals
and clinics. A contractual requirement for students to be able to participate in these
programs is that they must be covered by professional liability insurance.

Based upon direction from the School Board Attorney's Office to the Health Science
Education Division, the District cannot require students to use their own funds to
purchase this coverage. Therefore, at the Board meeting of October 17, 2007, the
Board authorized purchase of Student Professional Liability insurance coverage to
protect the enrolled students and the District. The Board authorized renewal of this
coverage last year at the Board meeting of October 15, 2008. This item is
recommending renewal of such coverage with an effective date of October 17, 2009.

The renewal program consists of a blanket Student Professional Liability program with
coverage limits of $1 million per occurrence/$3 million annual aggregate. Staff is
recommending renewal of this program pursuant to the authority under State Board
Rule 6A-1.012(11), which provides authorization for a district School Board when
purchasing insurance, entering into risk management programs, or contracting with third
party administrators to make such acquisitions through the bid process, or by direct
negotiations and contract.

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The recommended program is as follows:

Insurer: Chicago Insurance Company (A.M. Best A XV)

Rating Base: $11.60/student for non-first responder programs
$48.80/student for first responder programs

Estimated Premiums: 2,295 students x $11.60 = $26,622.00
550 students x $48.80 = $26,840.00
$53,462.00
FLIGA (State mandated guarantee fund fee)   1,015.78
Total Estimated Premium based on enrollment $54,477.78

Basic premium rates for this coverage are the same as expiring, although the number of students enrolled in these programs has increased from approximately 2,341 to 2,845. Staff is recommending that the renewal program include The School Board of Miami-Dade County, Florida as an additional insured.

The inclusion of additional students will result in a premium increase from last year's premium of $44,246.16 to $54,477.78. Staff has negotiated a fixed cost premium for this policy based upon the number of students enrolled at the time of the renewal, with any additional students to be added at no additional cost. Premiums for this program will be paid from the Board's liability premium budget.

RECOMMENDED: That The School Board of Miami-Dade County, Florida, authorize purchase of Student Professional Liability Insurance coverage through Arthur J. Gallagher & Co. from Chicago Insurance Company (A.M. Best A XV) with coverage limits of $1 million per occurrence/$3 million annual aggregate, with the District to be named as an additional named insured, to cover students enrolled in a program through the Health Science Education Division of Career & Technical Education where proof of coverage is required, with total premiums for such coverage, including all premiums and state required fees of $54,477.78, with additional students added during the year to be at no additional cost, effective October 17, 2009 to October 17, 2010.

RHH:sbc