

Financial Affairs
Richard H. Hinds, Chief Financial Officer

**SUBJECT: REQUEST FOR AUTHORIZATION TO AWARD STUDENT
ACCIDENT AND ATHLETIC ACCIDENT INSURANCE
COVERAGES**

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

**LINK TO STRATEGIC
FRAMEWORK: FINANCIAL EFFICIENCY/STABILITY**

At the Board meeting of June 18, 2008, the Board Awarded Request For Proposals (RFP) #047-HH10, Student Accident And Athletic Accident Insurance Coverages. The contract was awarded for a three-year term, with the option to renew for two additional one-year terms by mutual agreement between the School Board and the awardee, assuming satisfactory service and pricing, pursuant to the provisions of the RFP. Rates were guaranteed for the first two years of the contract. We are now at the end of the three year period.

The District's program consists of a structured Student Accident Insurance program for students and athletes, providing a cost effective way to pay medical bills for students who become injured. Student Accident Insurance coverage can be purchased as school time only coverage or 24-hour coverage. All M-DCPS students are offered the opportunity to purchase this low cost accident coverage on a voluntary basis, which provides coverage for physicians office visits, hospitalization, surgery, and ambulance transportation. In addition, all students enrolled in district-operated before and after school care programs are required to purchase student accident insurance.

Further, School Board Rule 6Gx13- 6A-1.161, Miami-Dade County Public School Athletic Manual, provides for the mandatory purchase of appropriate accident coverage for students participating in interscholastic athletics. Athletes participating in interscholastic sports other than football purchase the Student Interscholastic Accident Insurance (9-12). Students in grades 9-12 participating in football are required to purchase the Football Accident Insurance coverage for both fall and spring football seasons. The District's Sports Medicine Program is linked into this program as well. Physicians treating District athletes have agreed to accept the Student Accident and Football Accident insurance reimbursements as payment in full.

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The District has been unable to exercise the option to renew as UnitedHealthcare Insurance Company (A.M. Best A XV), through Insurance for Students, Inc., has withdrawn from the student accident insurance market. As a result, staff has requested the incumbent Student Accident Insurance Broker, Insurance for Students, Inc. to provide proposals from other markets. In addition, we have asked the District's Insurance Broker, Arthur J. Gallagher Risk Management Services, Inc., to provide a proposal as well.

We have received proposals from Mutual of Omaha through Insurance for Students, Inc. and Nationwide Insurance Company through Arthur J. Gallagher Inc.

Below are the summaries of the submitted proposals as compared with the current plan:

Insurer	Current UnitedHealthcare	Proposed Mutual of Omaha	Proposed Nationwide
Agent	Insurance For Students	Insurance For Students	Arthur J. Gallagher
AM Best Rating		A+ XV	A+ XV (negative outlook)
Rate Guarantee		12 Months (with caps on renewal if certain loss ratios are maintained)	12 Months
24 hour coverage	\$66.00	\$66.00	\$66.00
At School PK-6 (excluding athletics)	\$14.00	\$14.00	\$15.00
At School 7-12 (excluding interscholastic Athletics)	\$16.00	\$16.00	\$17.00
Fall Football	\$195.00	\$209.00	\$209.00
Spring Football	\$45.00	\$45.00	\$48.00
Interscholastic Athletics (excluding football)	\$45.00	\$45.00	\$45.00

For over 20 years, the District has subsidized the cost of both the Fall and Spring Football Accident Insurance premiums. At the Board meeting of June 16, 2010, the Board authorized subsidizing a portion of the interscholastic coverage due to a restructuring of the program. This strategy has been very successful as compared to Districts which do not mandate coverage as litigation stemming from football accidents has been minimal.

Pursuant to the provisions of State Board Rule 6A1-1.012(11), wherein a district school board when purchasing insurance, entering risk management programs, or contracting with third party administrators can make such acquisitions by direct negotiations and contract, staff recommends accepting the proposal from Mutual of Omaha through the incumbent broker, Insurance for Students Inc. as follows:

Student Accident Insurance

School Time Pre-K to 6 th	\$14.00 per student
School Time 7 th to 12 th	\$16.00 per student excludes interscholastic sports
24-Hour Pre-K to 12 th	\$66.00 per student school time insurance including interscholastic

Interscholastic Sports 9-12 \$45.00 per student school time insurance with student paying \$30.00 (67%) and the District paying \$15.00 (33%)

Based on 2010-2011 Interscholastic Sports enrollment figures, it is estimated that approximately 13,800 students will enroll resulting in an estimated School Board subsidy of \$207,000.

Football Accident Insurance

Recommended Rates for 2011-2012 School Year:

Fall Football	\$209 per student (currently \$195) Student Pays \$76.00 (37%) District Pays \$133 (64%)
Spring Football	\$45.00 per student (currently \$45.00) Student Pays \$23.00 (51%) District Pays \$22.00 (49%)

Based on 2010-11 enrollment figures we anticipate approximately 3,600 students will enroll in fall football and approximately 2,000 students to enroll in spring football. We estimate the District's total contribution to the football insurance premium to be approximately \$522,800.

Catastrophic Athletic Insurance

The recommended renewal of this coverage is for a one-year period, effective August 1, 2010 through July 31, 2011, with National Union Fire Insurance Co. (A.M. Best A+ XV), through Arthur J. Gallagher Risk Management Services with a flat annual premium of \$80,809, same as expiring. Purchase of this coverage is a requirement of the Florida High School Activities Association (FHSA), Article 3.1.2.

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

1. Award the Student Accident Insurance coverage, Student Accident and Athletic Accident Insurance Coverages, to Mutual of Omaha (A.M. Best A+ XV), through Insurance for Students, Inc., for a one-year period, effective August 1, 2011 to July 31, 2012, at the following rates per student/school year;

School Time (PK -6)	\$14.00
School Time (7-12)	\$16.00
24-Hour	\$66.00
Interscholastic Sports	\$45.00

2. Award the Football Accident Insurance coverage to Mutual of Omaha (A.M. Best A+ XV), through Insurance for Students, Inc., for a one-year period, effective August 1, 2011 to July 31, 2012, at the following rates per student/school year;

Fall Premium	- \$209.00
Spring Premium	- \$ 45.00

3. authorize expenditures for the District subsidy for fall and spring football season's insurance premiums with the District paying \$133.00 and the athlete paying \$76.00 equaling a total fall football premium of \$209.00 for the 2011-2012 football season; and the District paying \$22.00 and the athlete paying \$23.00 equaling a total spring football premium of \$45.00 for the 2011-2012 spring football season;
4. authorize expenditures for the District subsidy for Interscholastic Sports insurance premiums with the District paying \$15.00 and the Student paying \$30.00 equaling a total premium of \$45.00 for the 2011-12 School Year;

5. authorize staff to begin work on a comprehensive Request For Proposal to seek competitive proposals for the District's Student Accident and Football Accident Insurance Coverages, including all interscholastic athletes, as well as Catastrophic Athletic coverage as required by the Florida High School Activities Association (FHSAA) with an Request For Proposal to be brought back to a future School Board meeting; and
6. renew the Catastrophic Athletic Insurance coverage with National Union Fire Insurance Co. (A.M. Best A+ XV), through Arthur J. Gallagher Risk Management Services for a one-year period, effective August 1, 2011 to July 31, 2012 with a flat annual premium of \$80,809.

RHH:sbc