

Financial Services
Richard H. Hinds, Chief Financial Officer

SUBJECT: REQUEST FOR AUTHORITY TO PAY FOR ONE HALF OF THE COMMERCIAL PACKAGE INSURANCE POLICY AND PROPERTY POLICIES INSURING MIAMI-DADE COUNTY PUBLIC SCHOOLS AND MIAMI-DADE COLLEGE FOR NEW WORLD SCHOOL OF THE ARTS

COMMITTEE: INNOVATION, EFFICIENCY & GOVERNMENTAL RELATIONS

LINK TO STRATEGIC FRAMEWORK: FINANCIAL EFFICIENCY/STABILITY

Since its inception, Miami-Dade County Public Schools (M-DCPS) and Miami-Dade College (MDC) have jointly purchased appropriate insurance coverages to adequately protect the New World School of the Arts (NWSA). MDC secures proposals for the coverage through their contracted brokers and provides the information for review by the Office of Risk and Benefits Management to ensure the coverage is appropriate and at a competitive cost for the South Florida marketplace.

Annually, the Board has authorized payment for one-half of the annual premium for such coverages pursuant to the authority provided by State Board Rule 6A-1.012(11), 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 negotiation and contract.

MDC has now provided staff with the renewal terms of the commercial package policy which is effective August 13, 2012 to August 13, 2013.

Expiring vs. Renewal Premiums

	Expiring Premium	Renewal Premium	M-DCPS Share
Commercial Package Policy	\$25,639.14*	\$26,717.93*	\$13,358.96
Commercial Excess Liability Policy	\$3,839.00*	\$3,881.00*	\$1,940.50
Total:	\$29,478.14*	\$30,598.93*	\$15,299.46

* Includes Florida Assessments

The total renewal premium resulted in increase of \$1,120.29 or approximately 4%, with the Board's share consisting of \$560.40. With a tightening in the insurance marketplace, this increase is well within normal ranges. All terms and conditions of the renewal policy remain the same as expiring. The commercial package policy provides comprehensive general liability coverage with limits of \$1 million per occurrence/\$2 million annual aggregate and business personal property coverage with limits of \$1.5 million per occurrence/annual aggregate. The commercial excess liability policy provides coverage of \$1 million per occurrence/annual aggregate. These policies are underwritten by Philadelphia Insurance Companies (A.M. Best A+, XII), through Arthur J. Gallagher Risk Management Services, Inc. Staff is recommending that the District reimburse MDC for one-half of the package policy premium equaling \$15,299.46.

RECOMMENDED:

That The School Board of Miami-Dade County, Florida authorize reimbursement of \$15,299.46, representing one half of the annual renewal premium for the commercial package and excess insurance policies for the New World School of Arts, to Miami-Dade College, covering both Miami-Dade County Public Schools and Miami-Dade College, with Philadelphia Insurance Company (A.M. Best A+, IX), through Arthur J. Gallagher Risk Management Services, Inc., effective August 13, 2012 to August 13, 2013.

RHH:sbc