

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 STRATEGIC FRAMEWORK: FINANCIAL EFFICIENCY/STABILITY

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 19, 2011. This item is recommending renewal of such coverage with an effective date of October 17, 2012.

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.

E-68

RENEWAL PREMIUM SUMMARY

Staff, working in conjunction with the District's Broker, Arthur J. Gallagher Risk Management Services, was able to obtain a significant rate decrease based on the rate filing for the program. The renewal premium is \$25,807, a decrease of 52.6% over expiring, excluding assessment fees and taxes.

Staff is recommending renewing the current program with terms and conditions consisting of a blanket Student Professional Liability program with coverage limits of \$1 million per occurrence/\$6 million annual aggregate, and naming The School Board of Miami-Dade County, Florida, as an additional insured. 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. The number of students is expected to remain the same as last year, 3,080. Premiums for this program will be paid from the District's liability premium budget.

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

- Writing Company – Chicago Insurance Company – as expiring
- Wholesale Partner – Health Care Insurance, a division of RPS

	2011-2012 Expiring	2012-2013 Renewal	Savings
Premium	\$54,420	\$25,807	\$28,613 (52.6%)
FIGA fees	\$375.50	\$18.06	
TOTAL PREMIUM	\$54,795.50	\$25,825.06	\$28,970.44

RECOMMENDED:

That The School Board of Miami-Dade County, Florida, authorize purchase of Student Professional Liability insurance coverage through Arthur J. Gallagher Risk Management Services, Inc., from Chicago Insurance Company (A.M. Best A XV) with coverage limits of \$1 million per occurrence/\$6 million annual aggregate, with the District to be named as an additional 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 of \$25,825.06 including all state required fees, with additional students added during the year to be at no additional cost, effective October 17, 2012 to October 17, 2013.

RHH:sbc