

Financial Services
Richard H. Hinds, Chief Financial Officer

**SUBJECT: REQUEST FOR AUTHORIZATION TO RENEW REQUEST
FOR PROPOSALS (RFP) #032-MM10, STUDENT
ACCIDENT AND ATHLETIC ACCIDENT INSURANCE
COVERAGES AND HEAD START/EARLY START
ACCIDENT COVERAGE**

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

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

At the School Board meeting of June 13, 2012, the Board awarded Request For Proposals (RFP) #032-MM10, Student Accident and Athletic Accident Insurance Coverages. The RFP was structured for Miami-Dade County Public Schools to enter into an agreement for a three-year period, with the ability to extend for two additional one-year periods. The second year of the contract will commence August 1, 2013.

The District's program consists of a structured voluntary student accident insurance program for students and athletes and provides a cost effective way to pay medical bills for students who suffer an injury. School Board Policy 2431, *Miami-Dade County Public Schools Athletic Manual*, provides for the mandatory purchase of appropriate accident coverage for students participating in interscholastic athletics. All students enrolled in District-operated before and after school care programs are required to purchase student accident insurance.

**STUDENT/ATHLETIC ACCIDENT AND FOOTBALL ACCIDENT INSURANCE
COVERAGES**

At the Board meeting of June 13, 2012, the Board authorized that the rates for the second one-year period (August 1, 2013 to July 31, 2014) be brought back to the Board for further authorization based upon the paid loss ratios of the 2011-2012 period as of April 1, 2013. Based upon those loss ratios, Mutual of Omaha Insurance Company (A.M. Best A+ XV), through Insurance for Students, Inc. & Health Special Risk, Inc.(HSR), has provided the district with a flat renewal with no increase in premium or reduction in coverage for the upcoming renewal period.

As such, Staff is recommending renewing the Student Accident Insurance coverage pursuant to the terms of Request for Proposals (RFP) #032-MM10, Student Accident and Athletic Accidents Insurance coverages, with Mutual of Omaha Insurance Company (A.M. Best A+ XV), through Insurance for Students, Inc. & Health Special Risk, Inc.(HSR)., for a one-year period, effective August 1, 2013 to July 31, 2014. Renewal rates for the 2014-2015 school year will be brought back to the Board for the third year of the RFP term based on the loss ratio of the 2012-2013 policy/school year as of April 1, 2014. However, the Board may cancel this contract at any time and the vendor must provide 120-days advanced notice of termination.

Insurance Rates for 2013-2014 School Year (same as expiring)

School Time Pre-K to 6 th	\$16.00
School Time 7 th to 12 th	\$18.00
24-Hour Pre-K to 12 th	\$79.00
Fall Football insurance	\$265.00
Spring Football Insurance	\$59.00
Interscholastic Athletic Insurance	\$59.00

For over 20 years, the District has subsidized the cost of both the Fall and Spring Football Accident Insurance premiums, to make the coverage more affordable for athletes and their families. This strategy has been very successful as compared to districts which do not mandate coverage as litigation stemming from football accidents has been minimal.

Staff is recommending keeping both the athlete/family and Board contribution to both the football insurance and interscholastic insurance premium at the levels authorized at the June 2012, Board Meeting.

The recommended football contribution for the 2013-2014 school year is as follows:

	<u>Total Premium</u> <u>Per School Year</u>	<u>Student Athlete Pays</u> <u>Per School Year</u>	<u>District Pays</u> <u>Per School Year</u>
Fall Football:	\$265.00	\$76.00(29%)	\$189.00(71%)
Spring Football	\$ 59.00	\$23.00(39%)	\$ 36.00(61%)

Based upon current enrollment numbers of 3,357 football athletes in the Fall season and 2,200 football athletes in the Spring season, the total contribution by the District for the 2013-2014 school year is estimated to be \$713,673.

The recommended interscholastic insurance contribution for the 2013-2014 year is as follows:

<u>Total Premium</u> <u>Per School Year</u>	<u>Student Athlete Pays</u> <u>Per School Year</u>	<u>District pays</u> <u>per School Year</u>
\$59.00	\$30.00(51%)	\$29.00(49%)

Based upon Interscholastic Sports enrollment figures, it is estimated that approximately 15,000 students will enroll in the coverage during the 2013-2014 school year, resulting in an estimated School Board subsidy of \$435,000. The total Board subsidy for both interscholastic athletic insurance as well as football insurance for the 2013-2014 school year is estimated to be \$1,148,673.

CATASTROPHIC ATHLETIC ACCIDENT COVERAGE

The Board had previously awarded the Catastrophic Athletic Coverage to National Union Fire Insurance Co. of Pittsburg, PA (A.M. Best A XV) through Arthur J. Gallagher Risk Management Services. However, due to decreasing policy aggregate limits as well as reported service issues, staff is recommending placing this coverage with Zurich American Insurance Company, (A.M. Best A+ XV) through Arthur J. Gallagher Risk Management Services for a two-year period with a guaranteed annual premium of \$76,514, 5.3% less than the expiring rate which was \$80,809. The policy annual aggregate limit is \$6 million dollars with a \$25,000 deductible Purchase of this coverage is a requirement of the Florida High School Activities Association (FHSAA), Article 3.1.2.

HEAD START/EARLY START INSURANCE COVERAGE

On August 1, 2012 the Board entered into an interlocal agreement with Miami-Dade County to provide Head Start/Early Start Program Services for the County. As part of the agreement the District must provide insurance as required under 45 CFR, Part 1301.11, including student accident insurance with a minimum limit of \$2,000 per child. There are approximately 2,127 children enrolled in the program. Staff is recommending renewing the coverage through Markel Insurance Company (A.M. Best A+ XIII) through Insurance for Students, Inc. & Health Special Risk, Inc. (HSR) for a one-year period with a rate of \$2.89 per enrolled student with limits of \$2,000 per child effective August 20, 2013 to August 20, 2014.

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

1. renew the Student Accident Insurance coverage pursuant to the terms of Request for Proposals (RFP) #032-MM10, Student Accident and Athletic Accidents Insurance Coverages, to Mutual of Omaha Insurance Company (A.M. Best A+ XV), through Insurance for Students, Inc. & Health Special Risk, Inc.(HSR)., for a one-year period, effective August 1, 2013 to July 31, 2014 based on the following rates per student for the 2013-2014 school year:

School Time Pre-K to 6 th	\$ 16.00
School Time 7 th to 12 th	\$ 18.00
24-Hour Pre-K to 12 th	\$ 79.00
Fall Football insurance	\$265.00
Spring Football Insurance	\$ 59.00
Interscholastic Athletic Insurance	\$ 59.00

2. authorize expenditures for the District subsidy for the Fall and Spring football season's insurance premiums with the District paying \$189.00 and the athlete paying \$76.00 equaling a total fall football premium of \$265.00 for the 2013-2014 football season; and the District paying \$36.00 and the athlete paying \$23.00 equaling a total spring football premium of \$59.00 for the 2013-2014 Spring football season;
3. authorize expenditures for the District subsidy for Interscholastic Sports insurance premiums with the District paying \$29.00 and the Student paying \$30.00 equaling a total premium of \$59.00 for the 2013-14 School Year;
4. authorize placement of the Catastrophic Athletic Insurance coverage with Zurich American Insurance Company, (A.M. Best A+ XV) through Arthur J. Gallagher Risk Management Services for a two-year period, effective August 1, 2013 to July 31, 2015 with an annual premium of \$76,514; and
5. authorize the renewal of Head Start/Early Start Accident Insurance coverage with Markel Insurance Company (A.M. Best A+ XIII) through Insurance for Students, Inc. & Health Special Risk, Inc.(HSR) for a one-year period with a rate of \$2.89 per enrolled student with limits of \$2,000 per child effective August 20, 2013 to August 20, 2014.

RHH:cbc