

Financial Services  
Mr. Ron Y. Steiger, Chief Financial Officer

**SUBJECT:                   REQUEST AUTHORIZATION TO RENEW EXISTING COVERAGES INCLUDING CATASTROPHIC ATHLETIC ACCIDENT COVERAGE, LAW ENFORCEMENT PROFESSIONAL LIABILITY INSURANCE, EXCESS WORKERS' COMPENSATION INSURANCE, GENERAL/AUTOMOBILE/PROFESSIONAL LIABILITY INSURANCE, BOILER AND MACHINERY COVERAGE, CYBER LIABILITY COVERAGE, MEDIA LIABILITY COVERAGE, AND STUDENT PROFESSIONAL LIABILITY INSURANCE**

**COMMITTEE:               FISCAL ACCOUNTABILITY & GOVERNMENT RELATIONS**

**LINK TO STRATEGIC BLUEPRINT:               EFFECTIVE AND SUSTAINABLE BUSINESS PRACTICES**

At the Board meeting of October 14, 2015, the Board awarded its Risk Management and Insurance Broker Services contract to Arthur J. Gallagher Risk Management Services, Inc. (AJG), pursuant to Request for Qualifications (RFQ) #14-058-ND, Request for Qualifications for Risk Management and Insurance Broker Services, effective January 1, 2016. The following recommended insurance renewals/placements are subject to the brokerage contract's provisions.

**CATASTROPHIC ATHLETIC ACCIDENT COVERAGE**

Catastrophic Interscholastic Accident insurance is designed to provide accident injury coverage to all interscholastic athletes. Purchase of this coverage is a requirement of the Florida High School Athletic Association, Policy 8.

Zurich American Insurance Company (A.M. Best A+ XV), through AJG proposed a renewal program with a premium of \$69,019 with limits, terms, conditions and coverages the same as the expiring program for a one-year period effective August 1, 2019 to July 31, 2020. Staff is recommending renewal of this program based upon the terms presented for renewal for a one-year period effective August 1, 2019 through July 31, 2020, with a policy annual aggregate limit of \$6 million dollars and a \$25,000 deductible for a total premium of \$69,019.

**E-66**

## **LAW ENFORCEMENT PROFESSIONAL LIABILITY INSURANCE**

At the Board meeting of June 20, 2018, the Board authorized renewal of the Law Enforcement Professional Liability Insurance coverage with Indian Harbor Insurance Company (A.M. Best A+ XV), through AJG effective July 1, 2018 through June 30, 2019, with an annual premium of \$233,822, with a \$5 million each wrongful act/annual aggregate and an additional \$1 Million in defense costs outside of the policy limit and a self-insured retention of \$200,000.

Staff has received a renewal quote for the Law Enforcement Professional Liability Insurance coverage from Indian Harbor Insurance Company (A.M. Best A+ XV), through AJG with an annual premium of \$242,840 with limits, terms, conditions and coverages the same as the expiring program. The rise in premium is due to an increase in the number of sworn law enforcements professionals.

Staff is recommending the renewal of the Law Enforcement Professional Liability Insurance coverage with Indian Harbor Insurance Company (A.M. Best A+ XV), through AJG effective July 1, 2019 through June 30, 2020, with an annual premium of \$242,840, with a \$5 million each wrongful act/annual aggregate and an additional \$1 Million in defense costs outside of the policy limit and a self-insured retention of \$200,000.

## **EXCESS WORKERS' COMPENSATION INSURANCE**

Staff has received a renewal quote for the District's Excess Workers' Compensation Insurance from Safety National Casualty Corporation (A.M. Best A+ XV) with a deposit premium of \$1,322,217 at a rate of \$.0726616 per \$100 of annual payroll including surcharges and with a self-insured retention of \$1,500,000, subject to an annual audit with any additional or return premium due as a result of actual payroll expenditures. The renewal quotation represents a .03% decrease in premium. The decrease in the premium is a result of a reduction in the rate, previously \$.0745 per \$100 of annual payroll.

In addition to standard excess workers' compensation coverage Safety National Casualty Corporation (Safety National) provides additional value-added services which provides enhancements to the District's current Workers' Compensation Program. One service is a Medical Management Program providing Catastrophic Claims Consulting, Impartial Medical Review, Long-Term Claims Evaluation, and Chronic Pain & Opioid Dependency Programs. In addition, they have provided a suite of online safety training tools, programs and classes, which are being integrated into the District's loss control program.

Staff is recommending renewing the District's Excess Workers' Compensation Insurance Coverage with Safety National Casualty Corporation (AM Best A+ XV) through AJG for a one-year term, effective July 1, 2019 through June 30, 2020, at a rate

of \$.0726616 per \$100 of annual payroll with a deposit premium of \$1,322,217 including surcharges, with a self-insured retention of \$1,500,000.

### **GENERAL/AUTOMOBILE/PROFESSIONAL LIABILITY INSURANCE**

At the Board meeting of June 20, 2018, the Board approved the fifth-year renewal of the five-year policy of its General/Automobile/Professional Liability/Errors and Omissions coverage with United Educators Risk Retention Group (United Educators) (A.M. Best A, IX) through AJG with the fifth year's premium totaling \$306,776.

Staff is recommending the renewal its General/Automobile/Professional Liability/Errors and Omissions coverage with United Educators Risk Retention Group (United Educators) (A.M. Best A, IX) through AJG for five one-year terms effective July 1, 2019 through June 30, 2020, subject to annual re-rate and cancellation provisions with the first year's premium totaling \$288,963. The renewal represents a 5.8% decrease from the expiring policy term.

This unique program provides the School Board Attorney's Office and the Office of Risk and Benefits Management needed latitude to use the excess coverage, when necessary to settle claims, which if taken to the Legislature as Legislative Claim Relief Acts would cost the District significantly more money. Additionally, the existence of the coverage allows the District to produce needed proof of insurance to comply with contractual requirements for student field trips, and other District requirements where insurance is required.

The program consists of General and Automobile liability coverage with primary limits of liability of \$500,000 per occurrence per wrongful act subject to a \$3,250,000 annual aggregate. The Professional Liability/Errors and Omissions coverage provides coverage consisting of an additional \$500,000 excess of primary \$500,000 per wrongful act subject to annual aggregate of \$2,500,000. The coverage is subject to a self-insured retention for the General/Automobile coverage, commensurate with the current levels of limited Sovereign Immunity of \$200,000 per claim/\$300,000 per accident and a flat, per wrongful act self-insurance retention of \$200,000 for Professional Liability claims.

### **BOILER AND MACHINERY COVERAGE**

The District purchases insurance coverage on its boilers, air conditioning systems and other vessels pursuant to the requirements contained within Section 230.23(9) (d), Florida Statutes. In addition to providing coverage for equipment breakdown, the District's boiler and machinery program with Hartford Steam Boiler Inspection and Insurance Company (HSB) provides full inspection services with a dedicated representative from the carrier inspecting and filing inspection certificates with the State of Florida.

Staff is recommending renewal of the Boiler and Machinery coverage with Hartford Steam Boiler Inspection and Insurance Company (A.M. Best A++ X) through AJG effective September 13, 2019 through September 12, 2020, with policy limits of \$100 million per loss at a rate of \$.001677 per \$100 total insured values, subject to a base of \$10.12 billion with the annual premium for 2019-2020 being \$169,624. The coverage terms and conditions remain the same; however, there is a slight increase in premium due to the increase in total insured values of the District.

### **CYBER LIABILITY COVERAGE**

Staff is recommending renewing the cyber liability coverage with Brit-Lloyd's (A.M. Best A, XV) through AJG for a one-year period with the same limits and coverages, terms, and conditions at the expiring premium effective July 1, 2019 through June 30, 2020, for a total premium of \$139,000 with coverage limits of \$10 million per claim/annual aggregate subject to a \$250,000 self-insured retention.

### **MEDIA LIABILITY COVERAGE**

WLRN produces original television content for local, national and international broadcast. This requires contracting with multiple distributors include; Public Broadcasting Services (PBS), American Public Television (APT) and the National Educational Telecommunications Association (NETA). Each distributor requires WLRN to secure an errors and omissions television production insurance policy ("E&O Policy") for the program with a claims limit of not less than \$1,000,000 per occurrence and \$3,000,000 in the aggregate with \$10,000 deductible. Now that WLRN is expanding its distribution into new media to include streaming video over mobile devices and third-party commercial platforms such as Netflix, the coverage requirement increases to \$1,000,000 per occurrence and \$5,000,000 in the aggregate with \$10,000 deductible.

Additionally, the policy provides media liability coverage for the District as it expands its use of social media, increases its web presence and continues to utilize other traditional media opportunities.

Media Liability Coverage is a specific form of errors and omissions insurance which is designed to protect the District against claims resulting from slander, defamation, copyright infringement, unauthorized use of material, and plagiarism among other perils.

Atlantic Specialty Insurance Company (A.M. Best A+ XV) through AJG proposed a renewal program with same limits and coverages, terms, and conditions at the current premium of \$6,535.

Staff is recommending that The School Board of Miami-Dade County, Florida, authorize the renewal of media liability coverage with Atlantic Specialty Insurance Company (A.M. Best A+ XV) through AJG with coverage limits of \$1 million per claim and \$5 million annual aggregate subject to a self-insured retention of \$10,000 with an annual premium of \$6,535 for a one-year period effective July 1, 2019 thru June 30, 2020.

## **STUDENT PROFESSIONAL LIABILITY INSURANCE**

The Division of Career & Technical Education 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 as well as the District. The Board has continued to authorize renewal of this coverage since the October 2007 Board Meeting.

Staff is recommending that The School Board of Miami-Dade County, Florida, authorize the renewal of Student Professional Liability insurance coverage through Arthur J. Gallagher Risk Management Services, Inc., from Medical Protective Company (A.M. Best A++, XV) with coverage limits of \$1 million per occurrence/\$6 million aggregate, with a \$0 deductible, with total premiums for such coverage of \$56,865 with the ability to add students during the year for a one-year period effective July 1, 2019 thru June 30, 2020. Premiums for this program will be paid from the District's liability premium budget.

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

1. authorize renewal terms of the Catastrophic Athletic Accident insurance with Zurich American Insurance Company, (A.M. Best A+ XV) through Arthur J. Gallagher Risk Management Services, Inc. for a one-year period effective August 1, 2019 through July 31, 2020, with a policy annual aggregate limit of \$6 million dollars and a \$25,000 deductible for a total premium of \$69,019;

2. authorize the renewal of the Law Enforcement Professional Liability Insurance coverage with Indian Harbor Insurance Company (A.M. Best A+ XV), through Arthur J. Gallagher Risk Management Services, Inc. effective July 1, 2019 through June 30, 2020, with an annual premium of \$242,840, with a \$5 million each wrongful act/annual aggregate and an additional \$1 Million in defense costs outside of the policy limit and a self-insured retention of \$200,000,
3. authorize renewal of the District's Excess Workers' Compensation Insurance coverage with Safety National Casualty Corporation (A.M. Best A+ XV) through Arthur J. Gallagher Risk Management Services, Inc. for a one-year term, effective July 1, 2019 through June 30, 2020, at a rate of \$.0726616 per \$100 of annual payroll with a deposit premium of \$1,322,217 subject to a per claim, self-insured retention of \$1,500,000, subject to an annual audit with any additional or return premium due as a result of actual payroll expenditures;
4. authorize renewal of the General/ Automobile/ Professional Liability/ Errors and Omissions coverage with United Educators Risk Retention Group (United Educators) (A.M. Best A, IX) through Arthur J. Gallagher Risk Management Services, Inc. for five one-year terms effective July 1, 2019 through June 30, 2020, subject to annual re-rate and cancellation provisions with the first year's premium totaling \$288,963, subject to a self-insured retention for the General/Automobile coverage, commensurate with the current levels of limited Sovereign Immunity of \$200,000 per claim/\$300,000 per accident and a flat, per wrongful act self- insurance retention of \$200,000 for Professional Liability claims;
5. authorize renewal of the Boiler and Machinery coverage with Hartford Steam Boiler Inspection and Insurance Company (A.M. Best A++ X) through Arthur J. Gallagher Risk Management Services, Inc. effective September 13, 2019 through September 12, 2020, with policy limits of \$100 million per loss at a rate of .001677 per \$100 total insured values, subject to a base of \$10.12 billion with the annual premium for 2019-2020 being \$169,624;
6. authorize the renewal of the Cyber Liability coverage with Brit-Lloyd's (A.M. Best A, XV) through Arthur J.

Gallagher Risk Management Services, Inc. for a one-year period effective July 1, 2019 through June 30, 2020, for a total premium of \$139,000 with coverage limits of \$10 million per claim/annual aggregate subject to a \$250,000 self-insured retention;

7. authorize the purchase of Media Liability coverage with Atlantic Specialty Insurance (A.M. Best A+, XV) through Arthur J. Gallagher Risk Management Services, Inc. with coverage limits of \$1 million per claim and \$5 million annual aggregate subject to a self-insured retention of \$10,000 with an annual premium of \$6,535 for a one-year period effective July 1, 2019 thru June 30, 2020; and
8. authorize the renewal of Student Professional Liability insurance coverage through Arthur J. Gallagher Risk Management Services, Inc., from Medical Protective Company (A.M. Best A++, XV) with coverage limits of \$1 million per occurrence/\$6 million aggregate, with a \$0 deductible, with total premiums for such coverage of \$56,865 with the ability to add students during the year for a one-year period effective July 1, 2019 thru June 30, 2020.

RYS:mgf