

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 PLAN: EFFECTIVE AND SUSTAINABLE OPERATIONAL PRACTICES

At the Board meeting of May 19, 2021, the Board awarded its Risk Management and Insurance Broker Services contract to Arthur J. Gallagher Risk Management Services, LLC (AJG), pursuant to Request for Proposals (RFP) #19-010-CM, effective May 19, 2021. The following recommended insurance renewals/placements are subject to the brokerage contract's provisions. The 2026-2027 renewal cost of existing coverages is \$2,853,178.87, representing an overall decrease of \$358,053, or 11.15%, compared to the expiring programs.

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, Administrative Policy 8.

Staff has received a quote for the Catastrophic Athletic Accident coverage from Hartford Fire Insurance Company (A.M. Best A+ XV), through AJG, with an annual premium of \$340,000 with limits, terms, conditions, and coverages the same as the expiring program. Staff is recommending renewal of this program based upon the terms presented for a one-year period effective August 1, 2026, through July 31, 2027, with a policy annual aggregate limit of \$6 million dollars and a \$25,000 deductible for a total premium of \$340,000.

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LAW ENFORCEMENT PROFESSIONAL LIABILITY INSURANCE

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 \$300,245 including surcharges and fees, representing a 8% decrease in premium with limits, terms, conditions, and coverages the same as the expiring program.

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, 2026, through June 30, 2027, with an annual premium of \$300,245, 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

After conducting a thorough marketing effort and receiving three quotes from different insurance carriers through AJG, Staff received a competitive 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 \$1,199,345 at a rate of \$0.0557 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. This program is being offered as part of a three-year rate commitment with no caveats, meaning that the rate will stay the same at \$0.0557 until the renewal in 2029. The renewal quotation represents a rate decrease of 16% combined with a 1% increase in payroll for an overall 15% decrease from the expiring deposit premium.

In addition to standard excess workers' compensation coverage, Safety National Casualty Corporation (Safety National) provides additional value-added services that provide 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, 2026, through June 30, 2027, at a rate of \$0.0557 per \$100 of annual payroll with a deposit premium of \$1,199,345 including surcharges, with a self-insured retention of \$1,500,000.

GENERAL/AUTOMOBILE/PROFESSIONAL LIABILITY INSURANCE

After conducting a thorough marketing effort through AJG, Staff has received a quote for its General/Automobile/Professional Liability/Errors and Omissions coverage from Obsidian Special Insurance Company (Metis Risk Programs) (A.M. Best A- VIII) effective July 1, 2026, through June 30, 2031, which is a five-year policy term. The deposit premium for this option is \$325,000 payable annually, with the ability for the District to receive up to \$265,000 of return premium if there is no claims activity under the policy.

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, Automobile, and Professional Liability/Errors and Omissions coverage with primary limits of liability of \$500,000 per occurrence per wrongful act subject to a \$2,000,000 annual aggregate. The coverage is subject to a self-insured retention, commensurate with the current levels of limited Sovereign Immunity of \$200,000 per claim/\$300,000 per accident.

Staff is recommending renewing the District's General/Automobile/Professional Liability/Errors and Omissions coverage with Obsidian Special Insurance Company (Metis Risk Programs) (A.M. Best A- VIII) through AJG effective July 1, 2026, through June 30, 2031, subject to a deposit premium of \$325,000 payable annually.

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 has received a renewal quote renewal of the Boiler and Machinery coverage with Hartford Steam Boiler Inspection and Insurance Company (A.M. Best A++ XI) through AJG, effective July 1, 2026, through June 30, 2027, with policy limits of \$150 million per loss at a rate of \$0.00119 per \$100 total insured values, subject to a base of \$12 billion with an annual premium of \$155,629.89 including surcharges and fees representing a 7.40% decrease in premium.

CYBER LIABILITY COVERAGE

Staff has received a renewal for the Cyber Liability Coverage from Brit/Underwriters at Lloyds of London (A.M. Best A XV), through AJG with an annual premium of \$464,160. The renewal represents a 5% premium decrease from the expiring policy term. In order to avoid any potential targeting from cyber criminals, information regarding coverage limits and retention limits will be transmitted to the Board prior to the Board meeting via a confidential memorandum.

Staff is recommending renewing the Cyber Liability coverage with Brit/Underwriters at Lloyds of London (A.M. Best A XV) through AJG for a one-year period effective July 1, 2026, through June 30, 2027, for a total premium of \$464,160.

MEDIA LIABILITY COVERAGE

WLRN produces original television content for local, national and international broadcast. This requires contracting with multiple distributors including 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.

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.

Hiscox Insurance Company, Inc., (A.M. Best A XV) through AJG offered a renewal program with terms as expiring, which includes limits of \$3 million per claim including defense costs and \$3 million aggregate subject to a self-insured retention of \$5,000 for an annual premium of \$5,706.50 including surcharges and fees, representing a decrease of 16% from the expiring term.

Staff is recommending that The School Board of Miami-Dade County, Florida, authorize the purchase of media liability coverage with Hiscox Insurance Company, Inc., (A.M. Best A XV) through AJG with coverage limits of \$3 million per claim and \$3 million annual aggregate subject to a self-insured retention of \$5,000 with an annual premium of \$5,706.50 including surcharges and fees for a one-year period effective July 1, 2026, through June 30, 2027.

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.

Columbia Casualty Company (A.M. Best A XV) through AJG proposed a quote with same limits and coverages, terms, and conditions at a premium of \$63,092.48, including surcharges and fees. The quote represents a 8% decrease from the expiring policy term due to a decrease in student participation in these programs from 5,705 to 5,204.

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 Columbia Casualty 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 \$63,092.48 including surcharges and fees with the ability to add students during the year for a one-year period effective July 1, 2026, through June 30, 2027.

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

1. authorize the purchase of the Catastrophic Athletic Accident insurance with Hartford Fire Insurance Company (A.M. Best A+ XV) through Arthur J. Gallagher Risk Management Services, LLC for a one-year period effective August 1, 2026, through July 31, 2027, with a policy annual aggregate limit of \$6 million dollars and a \$25,000 deductible for a total premium of \$340,000;

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, LLC effective July 1, 2026, through June 30, 2027, with an annual premium of \$300,245 including surcharges and fees 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, LLC for a one-year term, effective July 1, 2026, through June 30, 2027, at a rate of \$0.0557 per \$100 of annual payroll with a deposit premium of \$1,199,345 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 the purchase of the General/ Automobile/ Professional Liability/ Errors and Omissions coverage with Obsidian Special Insurance Company (Metis Risk Programs) (A.M. Best A- VIII) through Arthur J. Gallagher Risk Management Services, LLC. effective July 1, 2026, through June 30, 2031, subject to a deposit premium of \$325,000 payable annually, with the ability for the District to receive up to \$265,000 of return premium if there is no claims activity under the policy. The program is subject to a self-insured retention for the General, Automobile, and Professional Liability/Errors and Omissions coverage, commensurate with the current levels of limited Sovereign Immunity of \$200,000 per claim/\$300,000 per accident;
5. authorize renewal of the Boiler and Machinery coverage with Hartford Steam Boiler Inspection and Insurance Company (A.M. Best A++ XI) through Arthur J. Gallagher Risk Management Services, LLC, effective July 1, 2026, through June 30, 2027 with policy limits of \$150 million per loss at a rate of \$0.00119 per \$100 total insured values, subject to a base of \$12 billion for an annual premium of \$155,629.89 including surcharges and fees;
6. authorize renewal of the cyber liability coverage with Brit/Underwriters at Lloyds of London (A.M. Best A XV) through Arthur J. Gallagher Risk Management Services, LLC, for a one-year period effective July 1, 2026, through June 30, 2027, for a total premium of \$464,160;

7. authorize the purchase of Media Liability coverage with Hiscox Insurance Company, Inc., (A.M. Best A XV) through Arthur J. Gallagher Risk Management Services, LLC with coverage limits of \$3 million per claim and \$3 million annual aggregate subject to a self-insured retention of \$5,000 with an annual premium of \$5,706.50 including surcharges and fees for a one-year period effective July 1, 2026, through June 30, 2027;
8. authorize the renewal of Student Professional Liability insurance coverage through Arthur J. Gallagher Risk Management Services, LLC, from Columbia Casualty 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 \$63,092.48 including surcharges and fees with the ability to add students during the year for a one-year period effective July 1, 2026, through June 30, 2027.

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