

**APPROVE PAYMENT OF INSURANCE TO MCLARENS AS ADJUSTER FOR  
ALLIED WORLD ASSURANCE COMPANY AND IRONSHORE (DEDUCTIBLE  
FOR PROPERTY DAMAGE CLAIM DUE TO WIND & HAIL, DATE OF LOSS JULY 1, 2011)**

**THE GENERAL COUNSEL REPORTS THE FOLLOWING PAYMENT:**

**DESCRIPTION:** Risk Management on behalf of the Board filed a property-insurance claim for wind and hail damage to the roofs and HVAC systems at four schools (Westinghouse, Whitney Young, Collins, and Manley) on July 1, 2011. The full cost of the necessary repairs and replacements is valued \$1,380,761.22. The Board's two property-insurance providers, Allied World Assurance Company and Ironshore, will cover the claim and pay for their chosen contractor to perform the necessary repairs and replacements upon receipt of the Board's \$500,000 deductible, split 50-50 between the two Insurers.

Subject to Board approval, the Board will pay the sum of \$500,000.00, to initiate the final repair work related to the claim.

**LSC REVIEW:** LSC approval is not applicable to this report.

**AFFIRMATIVE ACTION STATUS:** Affirmative Action review is not applicable to this report.

**FINANCIAL:** The Board will pay \$500,000 to McLarens, as Adjuster for Allied World Assurance Company (\$250,000.00) and Ironshore (\$250,000.00), as payment of the Board's Insurance deductible.

**AUTHORIZATION:** Authorize Facilities, and Finance/Risk Management to execute any necessary Agreement(s) and all ancillary documents related thereto which Agreement(s) may include indemnification of third parties by the Board subject to approval of such indemnification by the General Counsel.

**GENERAL CONDITIONS:**

**Inspector General** – Each party to the agreement shall acknowledge that, in accordance with 105 ILCS 5/34-13.1, the Inspector General of the Chicago Board of Education has the authority to conduct certain investigations and that the Inspector General shall have access to all information and personnel necessary to conduct those investigations.

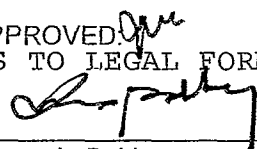
**Conflicts** – The agreement shall not be legally binding on the Board if entered into in violation of the provisions of 105 ILCS 5/34-21.3 which restricts the employment of, or the letting of contracts to, former Board member during the one year period following expiration or other termination of their terms of office.

**Indebtedness** – The Board's Indebtedness Policy adopted June 26, 1996 (96-0626-PO3), as amended from time to time, shall be incorporated into and made a part of the agreement.

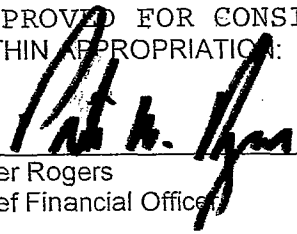
**Ethics** – The Board's Ethics Code adopted May 25, 2011 (11-0525-PO2), as amended from time to time, shall be incorporated into and made a part of the agreement.

**Contingent Liability** – The agreement shall contain the clause that any expenditure beyond the current fiscal year is deemed a contingent liability, subject to appropriation in the subsequent fiscal year budget(s).


APPROVED:  
AS TO LEGAL FORM:

  
\_\_\_\_\_  
James L. Bebley  
General Counsel

APPROVED FOR CONSIDERATION:  
WITHIN APPROPRIATION:

  
\_\_\_\_\_  
Peter Rogers  
Chief Financial Officer

Approved:

  
\_\_\_\_\_  
Barbara Byrd-Bennett  
Chief Executive Officer