

**AUTHORIZE PLACEMENT OF THE BOARD'S EXCESS LIABILITY AND
PROPERTY INSURANCE PROGRAMS THROUGH MESIROW INSURANCE SERVICES, INC.**

THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:

Authorize Mesirow Insurance Services, Inc. to place the following insurance policies on behalf of the Board for liability and property insurance programs in the aggregate amount not to exceed \$4,507,955.00 for a 12 month period. These placements will be arranged through Mesirow Insurance Services, Inc. (Mesirow), selected on a competitive basis pursuant to Board Rule 5-4.1 (Specification No. 05-250055). The policies of coverage constitute the contract between the Board and insurance carriers.

Specification No.05-250055

Contract Administrator: Demetra Knowles (773) 553-3256

Excess Liability Insurance Carriers	
1. Allied World Assurance Company 199 Water Street New York, NY 10038	3. ACE/Illinois Union Insurance Company 436 Walnut Street Philadelphia, PA 19106
2. Lexington Insurance Company 100 Summer Street Boston, MA 02110	4. Ironshore Specialty Insurance Company One State Street Plaza, 7th Floor New York, NY 10004
Property Insurance Carriers	
1. Lexington Insurance Company 100 Summer Street Boston MA 02110	4. Homeland Insurance Co of New York One Beacon Canton MA 02021-1030
2. Starr Surplus Insurance Co. 399 Park Ave 8 th Floor New York, NY 10022	5. Torus Insurance Company Harborside Financial Center, Plaza 5, Suite 2600 Jersey City, NJ 07311
3. Steadfast Insurance Company 1400 American Lane Schaumburg, IL 60196	6. Great American Insurance Company 301 E. Fourth Street Cincinnati, OH 45202
Mechanical Breakdown Insurance Carriers	
1. Federal Insurance Company 15 Mountain View Road Warren, NJ. 07059	
Pollution Legal Liability	
1. Lexington Insurance Company 100 Summer Street Boston, MA 02110	

Crime Insurance Carriers	
1. Great American Company 301 E. Fourth Street Cincinnati, OH 45202	
Special Event Liability Insurance	
1. National Casualty Insurance Company 175 Water Street New York, NY 10038	
Fiduciary Liability Insurance	
1. National Union Fire Insurance Company of Pittsburgh, PA("Chartis") 175 Water Street New York, NY, 10038	
Special Crime	
1. Federal Insurance Company 15 Mountain View Road Warren, NJ 07059	

INSURANCE BROKER:

Mesirow Insurance Services, Inc.
353 N. Clark Street
Chicago, Illinois 60654
Linda Price, Senior Managing Director
(312) 595-7900
Vendor# 84715

USER:

Finance Department/Risk Management
125 South Clark Street – 14th Floor
Chicago, Illinois 60603
Peter Rogers, Chief Financial Officer
(773) 553-2700

TERM: The term of each excess liability, property, mechanical breakdown, crime, special events, workers' compensation, fiduciary liability and travel insurance policies shall commence on July 1, 2013 and shall end June 30, 2014.

DESCRIPTION OF POLICIES:

The excess liability coverage is provided on an occurrence basis subject to the following limits and retention. The aggregate insured value of the Board's property is in excess of \$21 billion on a replacement cost basis. The coverage is provided on an occurrence basis subject to the following limits, retentions, and deductibles, with an except for locations which are vacant and scheduled to be demolished.

Coverage	Description	Limits	Retention or Deductible	Not to Exceed
Excess Liability	Wrongful acts, personal injury, property damage liability, school board legal, automobile, employment practices, employee benefit, harassment, sexual abuse and professional liability. Excludes TRIA, and includes Surplus Lines tax.	\$50,000,000	\$5,000,000 Self Insured Retention (SIR)	\$1,521,729
Special Events	Liability for events held off Board premises. Limits Boards liability to insurance requirements in facilities usage contracts.	\$1,000,000 per event, \$5,000,000 if required by contract.	No deductible	\$68,000
Property	Replacement cost property coverage for values in excess of \$21 billion, including but not limited to property under construction.	\$250,000,000	\$500,000 SIR	\$2,502,108
Mechanical Breakdown	Coverage for sudden and accidental breakdown of boilers, machinery and electrical equipment.	\$100,000,000	\$50,000 SIR	\$136,000
Crime	Blanket coverage including but not limited to fidelity.	\$10,000,000	\$1,000,000 SIR	\$30,000
Fiduciary Liability	Coverage for liability and wrongful acts of employees and administrators of deferred compensation plans.	\$10,000,000	No deductible	\$78,000
Special Crime	Provides for return of students and staff	\$5,000,000	No deductible	\$9,600
Pollution Legal Liability	Provides first and third party coverage for known and unknown pollution events	\$10,000,000	\$500,000.00	\$165,000

PREMIUM: All premium payments will be made through Mesirov for payment to the appropriate insurance carriers based on premiums reported to Risk Management. Allowable premiums are outlined above and may be subject to change in the event of a change in rates, property values or coverage specifications. Any premium change that causes the premium to exceed the maximum amounts stated above shall require additional Board authority.

AUTHORIZATION: Authorize Chief Financial Officer, or Risk Manager to execute all ancillary documents required to administer or effectuate the policies.

AFFIRMATIVE ACTION: Pursuant to section 3.7 of the M/WBE Plan, this transaction is excluded from M/WBE review because this vendor is merely a conduit of funds and receives no payments under this transaction.

LSC REVIEW: Local School Council approval is not applicable to this report.

FINANCIAL:

Charge to Risk Management: \$1,781,146.00 Fiscal Year: 2014

Budget Classification: 12470-210-54530-231114-000000

Liability Insurance

Charge to Risk Management: \$2,726,809.00 Fiscal Year: 2014

Budget Classification: 12470-210-54530-231115-000000

Property, Mechanical Breakdown and Crime Insurance

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 – Any 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 members during the one-year period following expiration or other termination of their terms of office.

Indebtedness – The Board’s Indebtedness Policy adopted July 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 June 23, 2004 (04-0623-PO4), as amended from time to time, shall be incorporated into and made a part of the agreement.

Contingent Liability – Any 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 for Consideration:

Approved:

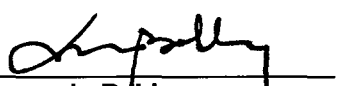


Sebastian De Longeaux
Chief Purchasing Officer



Barbara Byrd-Bennett
Chief Executive Officer

Approved as to legal form: 



James L. Bebley
General Counsel