

**AUTHORIZE PLACEMENT OF THE BOARD OF EDUCATION'S LIABILITY INSURANCE THROUGH
COMMUNITY INSURANCE CENTER**

THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:

Authorize Community Insurance Center, The Board's Excess Liability Insurance Broker, to place the Board of Education's Excess Liability Insurance policies with the insurance carriers listed below. All of the proceeding coverages shall not exceed a cost to the Board of \$1,200,000.00 in premiums. The policies of coverage constitute the contract between the Board and its carriers and no further written documentation is required. Information pertinent to this matter is stated below:

Specifications No.: 02-250205

INSURANCE CARRIERS:

- | | | |
|--|---|---|
| 1. Munich American Risk Partners
P.O. Box 3210
Atlanta, GA 30302-3210 | 2. National Union (AIG)
7 Pine Street-3 rd Floor
New York, NY 10207 | 3. Great American
P.O. Box 2575
Cincinnati, OH 45201-2575 |
| 4. Lexington Insurance
200 State Street
Boston, MA 02109 | 5. Royal & Sun Alliance Insurance
P.O. Box 1000
Charlotte, NC 28201-1000 | 6. St. Paul Insurance
Dept. CH 10480
Palatine, IL 60055-0480 |

BROKER:

Community Insurance Center
536 East 87th Street
Chicago, IL 60619
Contact Person: Milton E. Moses
Phone: (773) 651-6200
Vendor#: 23049

USER:

Bureau of Risk and Benefits Management
125 South Clark Street-14th Floor
Georgette Hampton, Director
(773) 553-2818

TERM: The terms of the policies shall commence on October 31, 2002 and shall end October 31, 2003.

DESCRIPTION OF POLICIES:

The coverage is provided on an occurrence and claims made basis subject to the following limits and retention.

Coverage	Description	Limits	Retention
Excess	Wrongful acts, personal injury, property damage liability, school board legal liability, employers' liability, non-owned aircraft liability, employment practices liability, employee benefit liability and harassment liability.	\$75,000,000 (Sexual Harassment is limited to \$5,000,000 excess of SIR)	\$10,000,000 SIR

AUTHORIZATION: Authorize the Director of Risk and Benefits Management to execute all ancillary documents required to administer or effectuate the policies.

PREMIUM: Premiums will be paid to Community Insurance Center who will place the insurance and pay the insurance companies directly. Allowable premium is outlined below and may be subject to change in the event of a change in rates.

<u>Excess Coverage/Layer</u>	<u>Carrier</u>	<u>Not to Exceed</u>
\$10,000,000 xs SIR	Munich American Risk Partners	\$169,850.00
\$40,000,000 xs \$10,000,000	National Union (AIG), Great American, Lexington and Royal	\$859,525.00
\$25,000,000 xs \$50,000,000	St. Paul Insurance	\$170,625.00
	Grand Total	\$1,200,000.00

AFFIRMATIVE ACTION: Pursuant to Section 3.7 of the Revised Remedial Plan for Minority and Women Business Enterprise Contract Participation (M/WBE Plan) this contract is exempt from review because this vendor is merely a conduit of the funds and receives no payments under this transaction.

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

FINANCIAL: Charge to Bureau of Risk & Benefits Management: \$1,200,000.00 Fiscal Year: 2003
Budget Classification: 0963-215-000-7066-5490 charge \$1,200,000.00

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 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, 1995 (95-0726-EX3), as amended from time to time, shall be incorporated into and made a part of the agreement.


Ethics – The Board's Ethics Code adopted September 27, 1995 (95-0927-RU3), 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 for Consideration:

Approved:

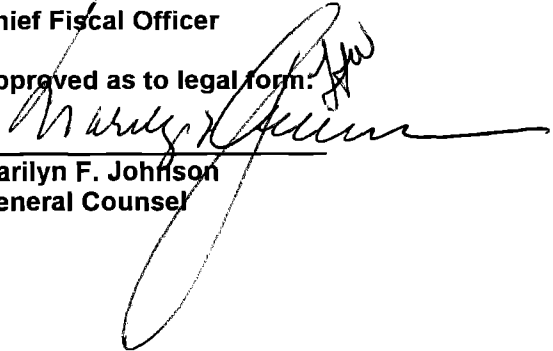

Anita Rocha
Acting Chief Purchasing Officer


Arne Duncan
Chief Executive Officer

Within Appropriation:


Kenneth C. Gotsch
Chief Fiscal Officer

Approved as to legal form:


Marilyn F. Johnson
General Counsel