

September 22, 2004

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

**THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:**

Authorize Mesirow Insurance Services, Inc., the Board's Excess Liability Insurance Broker, to place the Board'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 \$1,500,000.00 in premiums. The policies of coverage constitute the contracts between the Board and its carriers and no further written documentation is required. Information pertinent to this matter is stated below:

Specifications No.: Pending

**INSURANCE CARRIERS:**

- |  |   |
|--|---|
| <p>1. United National Insurance<br/>P.O. Box 3210<br/>Atlanta, GA</p>            | <p>2. Westchester/Ace INA Group<br/>P.O. Box 21284<br/>Philadelphia, PA</p>                               |
| <p>2. Great American P&amp;C Ins. Group<br/>P.O. Box 2575<br/>Cincinnati, OH</p> | <p>3. Lexington/American International Group, Inc.<br/>200 State, 4<sup>th</sup> Floor<br/>Boston, MA</p> |
| <p>3. St. Paul Insurance Company<br/>385 Washington Street<br/>St. Paul, MN</p>  |   |

**BROKER:**

Mesirow Insurance Services, Inc.  
321 North Clark  
Chicago, IL 60601  
Contact Person: Norman Malter  
(312) 595-6000  
Vendor#: 84715/10310

**USER:**

Bureau of Risk & Benefits Management  
125 South Clark Street-14<sup>th</sup> Floor  
Georgette Hampton, Director  
(773) 553-2818

**TERM:** The terms of the policies shall commence on October 31, 2004 and shall end October 31, 2005.

**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 Mesirow Insurance Services, Inc. who will place the insurance and pay the insurance companies directly. Allowable premiums are outlined below and may be subject to change in the event of a change in rates, provided premiums do not exceed \$1,500,000.00.

Excess Coverage/Layer	Carrier	Not to Exceed
\$10,000,000 xs SIR	United National Insurance	\$220,000.00
\$45,000,000 xs \$10,000,000	Westchester Ace, Great American, and Lexington Insurance Companies	\$530,000.00
\$20,000,000 xs \$50,000,000	St. Paul Insurance	\$250,000.00
	<b>Grand Total</b>	<b>\$1,000,000.00</b>

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

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

**FINANCIAL:** Charge to Bureau of Risk & Benefits Management: \$1,500,000.00 Fiscal Year: 2005  
 Budget Classification: 0963-215-000-7066-5490

**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.

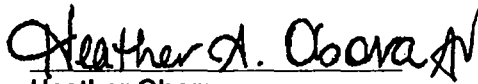
Indebtedness – The Board's Indebtedness Policy adopted July 26, 1995 (95-0726-EX3), as amended from time to time, shall be incorporated into and made a part of the agreement.

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.

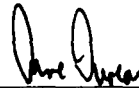
Contingent Liability – The agreement shall contain the clause that any expenditure beyond the current fiscal year is deemed a contingent liability, subject to appropriation in the subsequent fiscal year budget(s).

**Approved for Consideration:**

**Approved:**



Heather Obora  
Chief Purchasing Officer



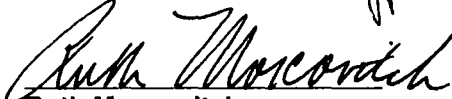
Arne Duncan  
Chief Executive Officer

**Within Appropriation:**

John Maiorca  
Chief Financial Officer



Approved as to legal form:



Ruth Moscovitch  
General Counsel