

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

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

Authorize Mesirow Insurance Services, the Board's Excess Liability Insurance Broker, to place the Board's Excess Liability Insurance policies with the insurance carriers listed below at aggregate premium amounts not to exceed \$1,215,000. These placements will be arranged through Mesirow Insurance Services, Inc., selected via bid under the Risk Management Pre-Qualified Board Report# 03-0423-PR16. Mesirow Insurance Services Inc. will be paid \$64,000 for Broker Services. 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:

**INSURANCE CARRIERS:**

- |  |   |
|--|---|
| <p>1. Princeton E &amp; S<br/>555 College Road East<br/>Princeton, NJ 08543</p>  | <p>2. Westchester/Ace INA Group<br/>P.O. Box 21284<br/>Philadelphia, PA</p>                               |
| <p>3. Great American P&amp;C Ins. Group<br/>P.O. Box 2575<br/>Cincinnati, OH</p> | <p>4. Lexington/American International Group, Inc.<br/>200 State, 4<sup>th</sup> Floor<br/>Boston, MA</p> |
| <p>5. St. Paul Insurance Company<br/>385 Washington Street<br/>St. Paul, MN</p>  |   |

**BROKER:**

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

**USER:**

Bureau of Risk Management  
125 South Clark Street-14<sup>th</sup> Floor  
John Maiorca, Chief Financial Officer  
(773) 553-2725  
Eileen Ryan, Assistant Risk Manager  
(773) 553-2828

**TERM:** The terms of the excess policies shall commence on October 31, 2005 and shall end October 31, 2006.

**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, TRIA & Surplus Lines Tax.	\$75,000,000 (Sexual Harassment is limited to \$5,000,000 excess of SIR)	\$10,000,000 SIR

**AUTHORIZATION:** Authorize the Chief Financial Officer 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 premium is outlined below and may be subject to change in the event of a change in rates, provided premiums do not exceed \$1,215,000.

Coverage/Layer	Carrier	Not to Exceed
\$10,000,000 xs 10 SIR	Princeton C&S	\$280,000
\$15,000,000 xs \$10,000,000	Westchester	\$285,000
\$15,000,000 xs \$25,000,000	Great American	\$260,000
\$15,000,000 xs \$40,000,000	Lexington	\$220,000
\$20,000,000 xs \$55,000,000	St. Paul Insurance	\$170,000
	<b>Grand Total</b>	<b>\$1,215,000</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 transaction is excluded from M/WBE review.

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

**FINANCIAL:** Charge to Bureau of Risk Management: \$1,279,000 Fiscal Year: 2006  
 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.

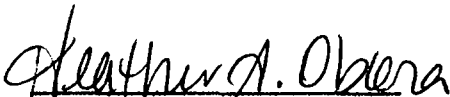
**Indebtedness** – The Board's Indebtedness Policy adopted July 26, 1995 (95-0726-EX3), as amended from time to time, shall be incorporated into and made a part of the agreement.

**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.

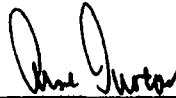
**Contingent Liability** – The agreement shall contain the clause that any expenditure beyond the current fiscal year is deemed a contingent liability, subject to appropriation in the subsequent fiscal year budget(s).

**Approved for Consideration:**

**Approved:**



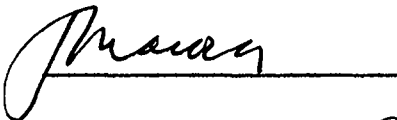
**Heather A. Obora**  
**Chief Purchasing Officer**




**Arne Duncan**  
**Chief Executive Officer**

**Within Appropriation:**

**John Maiorca**  
**Chief Financial Officer**



**Approved as to legal form:**



**Patrick J. Rocks**  
**General Counsel**