

June 25, 2014

**AUTHORIZE PLACEMENT OF THE BOARD'S FY 2015 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 \$4,700,000.00 for a 12-month period. These placements will be arranged through Mesirow Insurance Services, Inc. (Mesirow), who was selected on a competitive basis pursuant to Board Rule 5-4.1 (Specification No. 11-250025). The policies of coverage constitute the contract between the Board and insurance carriers.

Specification No.11-250025

Contract Administrator: Sophia Kamberos

Excess Liability Insurance Carriers	
1. ACE/Illinois Union Insurance Company 436 Walnut Street Philadelphia, PA 19106	3. Lexington Insurance Company 100 Summer Street Boston, MA 02110
2. Allied World Assurance Company 199 Water Street New York, NY 10038	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. Chubb Custom Insurance Company 15 Mountain View Road Warren, NJ 07059
2. Homeland Insurance Co of New York One Beacon Canton MA 02021-1030	5. General Security Indemnity Co. of Arizona 199 Water Street, Ste. 2100 New York, NY 10038
3. Starr Surplus Insurance Co. 399 Park Ave, 8th Floor New York, NY 10022	6. Steadfast Insurance Company 1400 American Lane Schaumburg, IL 60196
7. 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. Beazley Insurance Company 1270 Avenue of the Americas, Ste. 1200 New York, NY10020	

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	
Student Accident Insurance - Catastrophic	
1. National Union Fire Insurance Company of Pittsburgh, PA ("Chartis") 175 Water Street New York, NY, 10038	

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
Ginger Ostro, Chief Financial Officer
(773) 553-2700

TERM: The term of each insurance policy shall commence on July 1, 2014, and shall end on June 30, 2015.

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 Terrorism Risk Insurance Act (TRIA), and includes Surplus Lines tax.	\$50,000,000	\$5,000,000 Self Insured Retention (SIR)	\$1,600,000
Special Events	Liability for events held off Board premises. Limits Board's liability to insurance requirements in facilities usage contracts.	\$1,000,000 per event, \$5,000,000 if required by contract.	No deductible	\$73,000
Property	Replacement cost property coverage for values in excess of \$21 billion, including but not limited to property under construction.	\$250,000,000	\$1,000,000 SIR	\$2,550,000
Mechanical Breakdown	Coverage for sudden and accidental breakdown of boilers, machinery and electrical equipment.	\$100,000,000	\$50,000 SIR	\$86,000
Crime	Blanket coverage including but not limited to fidelity.	\$10,000,000	\$1,000,000 SIR	\$75,000
Fiduciary Liability	Coverage for liability and wrongful acts of employees and administrators of deferred compensation plans.	\$10,000,000	No deductible	\$81,000
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	\$5,000,000	\$1,000,000	\$100,000
Student Accident Insurance-Catastrophic	As required by Public Act 98-0166, provides catastrophic accident insurance for CPS students in grades 9-12 who participate in IHSA-sanctioned athletic events	\$6,000,000	\$25,000 deductible	\$100,000

PREMIUM: All premium payments will be made through Mesirow 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 the Chief Financial Officer 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: \$1,863,600.00 Fiscal Year: 2015
Budget Classification: 12460.210.54530.231114.000000
Liability Insurance

Charge to Risk Management: \$2,711,000.00 Fiscal Year: 2015
Budget Classification: 12460.210.54530.231115.000000
Property, Mechanical Breakdown and Crime Insurance

Charge to Risk Management: \$100,000.00 Fiscal Year: 2015
Budget Classification: 12460.210.54530.119025.000000
Student Accident 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.

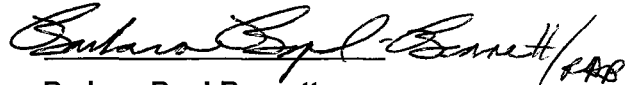
Contingent Liability –Any agreement shall contain the clause that any expenditure beyond the current fiscal year is deemed a contingent liability, subject to appropriation in the subsequent fiscal year budget(s).

Approved for Consideration:



Sebastian De Longeaux
Chief Purchasing Officer

Approved:



Barbara Byrd-Bennett
Chief Executive Officer

Approved as to legal form. *James*



James L. Bebley
General Counsel