

**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 \$4,944,250.00 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

<b>Excess Liability Insurance Carriers</b>	
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
<b>Property Insurance Carriers</b>	
1. Lexington Insurance Company 100 Summer Street Boston MA 02110	5. Homeland Insurance Co of New York One Beacon Canton MA 02021-1030
2. Ironshore Inc. One State Street 7 <sup>th</sup> Floor New York, NY 10004	6. Maiden Specialty Insurance Company 6000 Midatlantic Drive Suite 200 Mt. Laurel, NJ 08054
3. Steadfast Insurance Company 1400 American Lane Schaumburg, IL 60196	7. Great American Insurance Company 301 E. Fourth Street Cincinnati, OH 45202
4. Commonwealth Insurance Company 17 State Street, 29th Floor New York, NY 10004	
<b>Terrorism</b>	
1. Hiscox P.O. Box 550 Geneva, IL 60134	
<b>Mechanical Breakdown Insurance Carriers</b>	
1. Federal Insurance Company 15 Mountain View Road Warren, NJ. 07059	

<b>Crime Insurance Carriers</b>	
1. Great American Company 301 E. Fourth Street Cincinnati, OH 45202	2. National Union Fire Insurance Company of Pittsburgh, 175 Water Street New York, NY 10038
<b>Special Event Liability Insurance</b>	
1. K& K Insurance National Casualty Insurance Company 175 Water Street New York, NY 10038	
<b>Fiduciary Liability Insurance</b>	
1. National Union Fire Insurance Company of Pittsburgh, PA("Chartis") 175 Water Street New York, NY, 10038	
<b>Special Crime</b>	
1. Chartis Insurance Company 300 S. Riverside Chicago IL 60606	

**INSURANCE BROKER:**

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

**USER:**

Law Department/Risk Management  
125 South Clark Street - 7th Floor  
Patrick Rocks, General Counsel  
(773) 553-1700

**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, 2012 and shall end June 30, 2013.

**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 \$22 billion on a replacement cost basis. The coverage is provided on an occurrence basis subject to the following limits, retentions, and deductibles.

Coverage	Description	Limits	Retention or Deductible	Not to Exceed
<b>Excess Liability</b>	Wrongful acts, personal injury, property damage liability, school board legal, automobile, employment practices, employee benefit, harassment, sexual abuse and professional liability. Includes TRIA and Surplus Lines tax.	\$50,000,000	\$5,000,000 Self Insured Retention (SIR)	\$1,500,000
<b>Special Events</b>	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	\$50,000
<b>Terrorism</b>	Replacement cost property coverage for acts of sabotage and terrorism previously included in property policy. Separation of coverage allows for broader coverage including domestic acts of terrorism and limited liability coverage.	\$50 million	\$500,000 SIR	\$134,000
<b>Property</b>	Replacement cost property coverage for values in excess of \$22 billion, including but not limited to property under construction.	\$250,000,000 million	\$500,000 SIR	\$3,000,000
<b>Mechanical Breakdown</b>	Coverage for sudden and accidental breakdown of boilers, machinery and electrical equipment.	\$100,000,000	\$50,000 SIR	\$85,000
<b>Crime</b>	Blanket coverage including but not limited to fidelity.	\$30,000,000	\$500,000 SIR	\$92,000
<b>Fiduciary Liability</b>	Coverage for liability and wrongful acts of employees and administrators of deferred compensation plans.	\$10,000,000	No deductible	\$73,750
<b>Special Crime</b>	Provides for return of students and staff	\$5,000,000	No deductible	\$9,500

**PREMIUM:** All premium payments will be made through Mesirow for payment to the appropriate insurance carriers based on premiums reported to the Bureau of 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 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 Bureau of Risk Management: \$1,633,250 Fiscal Year: 2013

Budget Classification: 12470-210-54530-0000-231114-000  
Liability Insurance

Charge to Bureau of Risk Management: \$3,311,000 Fiscal Year: 2013

Budget Classification: 12470-210-54530-0000-231115-000  
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.

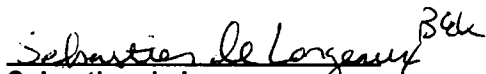
Indebtedness – The Board's Indebtedness Policy adopted July 26, 1996 (96-0626-PO3), as amended from time to time, shall be incorporated into and made a part of the agreement.

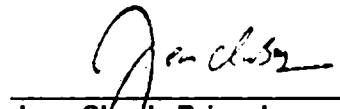
Ethics – The Board's Ethics Code adopted June 23, 2004 (04-0623-PO4), as amended from time to time, shall be incorporated into and made a part of the agreement.

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).

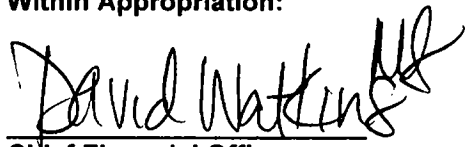
**Approved for Consideration:**

**Approved:**

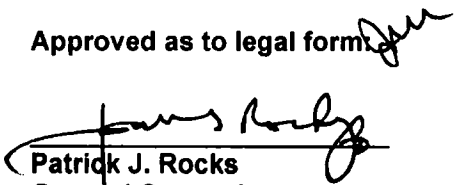
  
Sebastien de Longeaux  
Chief Purchasing Officer

  
Jean-Claude Brizard  
Chief Executive Officer

**Within Appropriation:**

  
Chief Financial Officer  
David G. Watkins

**Approved as to legal form:**

  
Patrick J. Rocks  
General Counsel