

EXECUTIVE SUMMARY

Second Amendment to Agreement and Contract Extension 14-015P – Student and Athletic Accident Insurance Coverage

The Risk Management Department is requesting School Board approval to exercise a six (6) month extension in reference to Request for Proposal (RFP) 14-015P. School Insurance of Florida, LLC offers student accident insurance coverage, which protects District students. Parents are offered both a high and low option benefit plan. This allows more parents the ability to afford basic coverage or elect to purchase a plan with increased benefits. The District will benefit from a non-rate increase if Risk Management extends the current RFP for an additional six (6) months. Plans issued from July 1, 2018 through December 31, 2018 will provide coverage through June 30, 2019.

School Insurance of Florida specializes in Florida's student insurance marketplace and has substantial purchasing power. This organization has been able to keep student insurance rates/premiums for District students stable without an increase for the past six (6) years. This organization has developed a direct 'Preferred Provider Network' of area physicians and medical service providers who have agreed to accept School Insurance of Florida's plan benefits as 'full pay for covered services rendered.' Parents of injured students can elect to utilize the 'Preferred Provider Network' services and will not be balance billed.

Parents have the option of viewing information on School Insurance of Florida's custom designed website twenty-four (24) hours a day, seven (7) days a week. They can enroll online, on their mobile device or by submitting a printed application directly to School Insurance of Florida. Schools are relieved of the responsibility of collecting applications and premiums.

Florida Statute 627.661 mandates that student insurance claims must be adjudicated by an in-state Florida resident licensed Third Party Administrator (TPA) or the home office of an underwriting insurance company. School Insurance of Florida is a TPA per the Florida Department of Financial Security and is in full compliance with Florida Statute 627.661.

School Insurance of Florida has received authorization from their underwriting insurance company to renew the District's student insurance program at current rates for the 2018/2019 school term. Parents will be pleased to know the District is renewing this program with no rate increases for school year 2018/2019. The District pays premiums for student accident coverage for all students participating in Head Start and Early Head Start programs. Funding for Student Accident Insurance for Head Start students is provided through a Head Start Grant.

The catastrophic student accident insurance, which was awarded under RFP 14-015P to Arthur J. Gallagher, was bid separately under 18-007V and was brought to the School Board for award on June 13, 2017, EE-25.

There is a companion agenda item for this Board meeting, where the District is rejecting all bids for the RFP 19-009V - Student and Athletic Accident Insurance Coverage which explains why the extension of this contract is needed.

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Financial Impact

Based on the monthly expenditure analysis, there is no need for additional spending authority, as demonstrated below:

<u>Current spending:</u>	<u>\$188,676</u>
<u>Average monthly expenditure:</u>	<u>\$3,253</u>
<u>Unused authorized spending:</u>	<u>\$111,324</u>
<u>Estimated forecasted spend:</u>	<u>\$19,518 (\$3,253 x 6 months)</u>