

## EXECUTIVE SUMMARY

### Recommendation of \$500,000 or Less 19-073V– Student and Athletic Accident Insurance Coverage

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#### **Introduction**

##### **Responsible: Procurement & Warehousing Services (PWS)**

This request is to approve the recommendation to award 19-073V – Student and Athletic Accident Insurance Coverage to Scholastic Insurance of Florida d/b/a School Insurance of Florida for forty-two (42) months beginning January 1, 2019 through July 31, 2022, with a renewal option for two (2) additional one (1) year periods. This Request for Proposal (RFP) replaces the existing RFP 14-015P Student and Athletic Accident Insurance Coverage which is used by the Athletic and Head Start Departments. This RFP provides all enrolled full-time students, including those participating in all sports, including high school football, student accident insurance coverage for student families.

All enrolled full-time students, including those participating in all sports including high school football, are not required to purchase student and athletic accident insurance. Enrollment for this program is made available on an optional and voluntary basis.

The School Board of Broward County, Florida (SBBC), also requires all students participating in Head Start and Early Head Start programs to purchase, at a minimum, Student Accident coverage. The premium for this insurance coverage is paid for by SBBC through a grant.

#### **Goods/Services Description**

##### **Responsible: Risk Management**

SBBC through a Request for Proposal (RFP), solicited bids for Student and Athletic Accident Insurance. Scholastic Insurance of Florida, LLC d/b/a School Insurance of Florida and Insurance for Students, LLC submitted proposals. Committee members evaluated both proposals and selected School Insurance of Florida as a recommended Proposer.

Insurance plans offered by both vendors were almost identical in nature. Selection of School Insurance of Florida was primarily based on pricing. Risk Management staff negotiated additional pricing reductions on all plans offered through School Insurance of Florida. The savings is provided in the Financial Impact section of this Executive Summary. Negotiations also resulted in a waiver of one-hundred dollars (\$100) to a zero-dollar (\$0) deductible for all football claims. Pricing reduction for these programs will stand firm over a two (2) year period beginning with the 2018-2019 school year.

Insurance plans are available to all students attending Broward Schools as well as students participating in all sports, inclusive of high school football. The insurance is optional and is not a requirement for all students/student-athletes. School Insurance of Florida has worked with Broward Schools to establish a network of doctors parents can utilize and save out-of-pocket expenses when filing claims.

Students participating in Head Start and Early Head Start Programs are required to purchase at a minimum, the Basic Student Accident Insurance coverage. The District receives a grant, which is used to pay premium costs for Head Start and Early Head Start Program participants. There are 2,120 students who participate in Head Start and Early Head Start Programs. With a fifty (50) percent decline in premium pricing for Head Start and Early Head Start, the District is hopeful to attract additional students for this program.

**Recommendation of \$500,000 or Less**  
**19-073V – Student and Athletic Accident Insurance Coverage**  
**December 18, 2018 Board Agenda**  
**Page 2**

Coverages offered through School Insurance of Florida include School Time Plan, twenty-four (24) hour Plan, Football Plan, Head Start, and Early Head Start. All plans offer a basic and enhanced program. Coverage for High School football also include programs for Pre-Season and Spring Practice.

The chart below provides detailed information about last year’s premiums and new premium rates negotiated in each plan category.

**Premium Rates**

Description	Last Year Premium	Premium Rate	Reduction
<b>Voluntary Accident</b>			
24 HR Plan - Basic Benefits	\$47	\$44	\$3.00
24 HR Plan - Enhanced Benefits	\$150	\$139	\$11.00
At School Plan A - Basic Benefits	\$9	\$8	\$1.00
At School Plan B - Enhanced Benefits	\$25	\$21	\$4.00
<b>Voluntary Athletics</b>			
High School Football Season - Plan A Basic Benefit	\$85	\$73	\$12.00
High School Football Season - Plan B Enhanced Benefits	\$190	\$163	\$27.00
High School Football Pre-Season - Plan A **	\$15	\$14	\$1.00
High School Football Pre-Season - Plan B **	\$35	\$30	\$5.00
High School Football Regular Season Only - Plan A **	\$60	\$58	\$2.00
High School Football Regular Season Only - Plan B **	\$120	\$110	\$10.00
High School Football Spring Practice Only - Plan A **	\$20	\$15	\$5.00
High School Football Spring Practice Only - Plan B **	\$40	\$35	\$5.00
<b>Mandatory Accident</b>			
Head Start and Early Head Start - Plan A - Basic Benefits	\$8	\$4	\$4.00
Head Start and Early Head Start - Plan B - Enhanced Benefits **		\$11	

The basic and enhanced plans have a maximum medical benefit of \$25,000. Risk Management staff negotiated a zero-dollar deductible for football coverage over last year’s \$100 deductible under both basic and enhanced programs. Both plans offer in-hospital sickness plan with \$500 per day for hospital confinement with a maximum aggregate of \$5,000.

Enrollment in plans identified within the chart below has continued to decline year after year. The chart below covers enrollment over a three (3) year period. Head Start plans are the only category in which enrollment remains consistent year after year. Although premium pricing has remained stagnant over these past four (4) years, a decline in enrollment is continually seen.

**Plan Enrollment Numbers**

Student Accident Plans	Enrollment Numbers		
	2017	2018	2019
School Time Plan	1,380	1,350	879
24-Hour Plan	1,295	1,191	1,103
Football Plan	113	110	93
Head Start Plan	2,120	2,120	2,120

**Recommendation of \$500,000 or Less**  
**19-073V – Student and Athletic Accident Insurance Coverage**  
**December 18, 2018 Board Agenda**  
**Page 3**

**Additional Services**

Through School Insurance of Florida's website students can enroll online and print personalized ID cards in real time. Brochures will be printed and distributed for all District students. This vendor is staffed with personnel to answer questions from parents as opposed to being directed to an automated service/voicemail. Broward School Administrators, under password protection, can view a listing of an enrolled student in real-time. School Insurance of Florida is a licensed Third Party Administrator (TPA) with an in-state claims payment office, which complies, with Florida Statute 627.661.

**Procurement Method**  
**Responsible: PWS**

The procurement method chosen is through a competitive solicitation, which is required by Purchasing Policy 3320, Part II, Rule D (<http://www.broward.k12.fl.us/sbbcpolicies/docs/Policy%203320.pdf>) and Florida Administrative Code 6A-1.012(7) (<https://www.flrules.org/gateway/RuleNo.asp?ID=6A-1.012>).

The current RFP, 14-015P – Student and Athletic Accident Insurance Coverage will expire on December 31, 2018, and will need a replacement contract. Earlier this year on January 23, 2018, Procurement & Warehousing Services (PWS) Department released RFP 19-009V for Student and Athletic Accident Insurance Coverage and opened on March 7, 2018. During the evaluation meeting for RFP 19-009V, the evaluation committee determined that the specifications of the RFP needed to be written clearer in order to avoid bidder confusion and/or disqualification and made a recommendation to rebid the RFP with revised specifications. A recommendation was made on June 12, 2018, to the School Board on Agenda Item E-4 to reject all proposals received and rebid with revised specifications and was approved by the School Board.

On September 13, 2018, PWS released the new RFP to the public through Demandstar.com. The number of vendors notified was four hundred and fifty-one (451), and nineteen (19) proposers downloaded the RFP. The number of proposers who submitted a proposal was two (2). Proposals were received from Scholastic Insurance of Florida d/b/a School Insurance of Florida and Insurance for Students, LLC. The RFP scored proposers based on experience and qualifications, the scope of work, cost of services and Small/Minority/Women Business Enterprise vendor(s). Scholastic Insurance of Florida d/b/a School Insurance of Florida was the highest-ranking proposer and was recommended by the Committee for the award.

**Financial Impact**  
**Responsible: PWS and Risk Management**

The estimated financial impact to the District will be \$66,780 for forty-three (43) months. The Student and Athletic Accident Insurance is purchased by parents/guardians of the student. Funding for Student Accident Insurance for Head Start students is provided through a Head Start Grant. The estimated financial impact represents an estimated contract value; however, the amount authorized will not exceed the estimated contract award amount.

**Recommendation of \$500,000 or Less**  
**19-073V – Student and Athletic Accident Insurance Coverage**  
**December 18, 2018 Board Agenda**  
**Page 4**

Negotiations with Scholastic Insurance of Florida, LLC d/b/a School Insurance of Florida were conducted after the evaluation meeting was finished. The Committee was able to lower the premium rates as indicated in the chart stated below:

Description	Last Year Premium	Premium Rate	Reduction
<b>Voluntary Accident</b>			
24 HR Plan - Basic Benefits	\$47	\$44	<b>\$3.00</b>
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<b>Mandatory Accident</b>			
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Head Start and Early Head Start - Plan B - Enhanced Benefits **		\$11	

For the Mandatory Accident/Head Start Programs, the reduction in the premium rate resulted in a fifty (50) percent savings for the program (Savings of **\$30,386.38**). The lower rate was due to a very favorable loss ratio over the past few years. The rate was negotiated lower since we are able to provide the voluntary/athletic coverages together. The premiums received under the voluntary plans help offset the mandatory head start premium. Please see the rationale below:

**Head Start Plan A (Basic Benefits) – 2019 Enrollment**

	Premium Rates (per Student)	Extended Rate (Year)	Extended Rate (Month)	Contract Term (43 Months)
Current RFP 14-015P	\$ 8.00	\$16,960	\$1,413.33	\$60,773.19
New RFP 19-009V	\$ 4.00	\$8,480	\$706.66	\$30,386.38
<b>Savings (USD)</b>	<b>\$ 4.00</b>	<b>\$8,480</b>	<b>\$706.66</b>	<b>\$30,386.38</b>
Savings (%)	50%	50%	50%	50%

*(2,120 Students enrolled)*

**Head Start Plan B – (Enhanced Benefits) No enrollments**