

EXECUTIVE SUMMARY

Recommendation of \$500,000 or Less FY21-013 – Catastrophic Student Accident Insurance

Introduction

Responsible: Procurement & Warehousing Services (PWS)

This request is to approve the recommendation to award Request for Proposal (RFP) FY21-013 – Catastrophic Student Accident Insurance for a period of three (3) years from July 1, 2020 through June 30, 2023 with two (2) one (1) year renewal options. This RFP will replace the existing RFP 18-007V – Catastrophic Student Accident Insurance that expires on June 30, 2020. This RFP will provide catastrophic student accident insurance to middle and high school students participating in interscholastic sports/activities.

The spending authority being requested is \$132,768.

Goods/Services Description

Responsible: Risk Management (RM)

Florida High School Athletic Association (FHSAA) mandates all Florida public school districts carry catastrophic student accident insurance. Additionally, FHSAA bylaw 3.5.3 requires member schools to provide athletic accident medical coverage, catastrophic accident insurance coverage, and catastrophic disability insurance coverage for each of its student-athletes. Purchasing this policy places the District in compliance with FHSAA Article 3.1.2.

Insurance for Students, LLC, has over forty (40) years of experience designing, marketing, and administering Student Accident Insurance. Currently, this firm partner with Health Special Risk in providing services to Miami-Dade Schools for the past twelve (12) years. References specify strong customer service skills as well as advanced technology to serve students and parents. This Vendor's online student enrollment system, via a friendly portal, allows parents to select and purchase student accident insurance online. Additionally, toll-free bi-lingual customer service representatives are available to address parent and student concerns. Parents and students will also have access to explanations of benefits through this company's portal. The online electronic claim form allows authorized users to submit claim forms directly into this Vendor's claim system. Their claim reporting tool allows authorized personnel to run loss reports twenty-four (24/7). Liberty Insurance Underwriters, the authorized insurance carrier, has a rating of A XV by AM Best.

Insurance for Students, LLC will provide Catastrophic Student Accident Insurance, which covers middle and high school students participating in interscholastic Sports/Activities. Coverage is provided during interscholastic practice (pre-season and post-season conditioning), games, intramural games, gym class activities, band practice, cheerleading practice as well as any athletic school-sponsored/supervised activity. Coverage is provided for travel to or from locations of covered events and travel to or from an insured person's residence and school in a vehicle supplied by the policyholder for any of the activities listed above. All travel must be authorized by the policyholder and paid for or subject to reimbursement by the policyholder. Coverage is provided for travel within the contiguous United States as well as international travel. Coverage benefits are noted below:

Recommendation of \$500,000 or Less
FY21-013 – Catastrophic Student Accident Insurance
June 23, 2020 Board Agenda
Page 2

Accidental Death and Dismemberment Benefits:

Loss	Benefit Amount
Accidental Death Benefits	\$10,000
Accidental Dismemberment	\$20,000
Exposure and Disappearance	\$10,000
Catastrophe Cash Benefits (Paralysis, Coma or Brain Death)	\$500,000 (initial lump sum = \$100,000, then monthly payments of \$3,333 up to one hundred twenty (120) months)
Accident Excess (Deductible of \$25,000)	\$6,000,000
Seat Belt/Air Bag Benefit	\$5,000 seat belt \$5,000 airbag

Procurement Method

Responsible: PWS

The procurement method chosen is through a competitive solicitation, which is required by Purchasing Policy 3320, Part II, Rule D, and Florida Administrative Code 6A-1.012(7).

The Risk Management Department, in coordination with Procurement & Warehousing Services (PWS) procured this same service approximately three (3) years ago under 18-007V. A new RFP FY20-13 was released for these services on November 15, 2019, in order to replace RFP 18-007V, on July 1, 2020.

This solicitation was released on November 15, 2019, through Demandstar, and proposals were opened on January 17, 2020, where two hundred and one (201) vendors were notified, ten (10) vendors downloaded the solicitation. Three (3) vendors, Gallagher Risk Management Services, Insurance for Students, and McGriff Insurance Services submitted responses to the solicitation.

Evaluations were completed by three (3) committee members; Aston A. Henry, Jr., Director of Risk Management, Shawn Cerra, Director of Athletics & Student Activities, and April Kowalski, Clerk Specialist B of Risk Management. The evaluation meeting was held on February 7, 2020, and the Evaluation Committee recommended Insurance for Students for the award.

The Affirmative Procurement Initiative recommended by the Supplier Diversity and Outreach Program for this RFP was the Small Business Enterprise Subcontracting Goal Program of three (3) percent.

Financial Impact

Responsible: PWS and RM

The total spending authority estimated for the contract period is \$132,768, as shown below:

The premiums provided below are the new annual premium rates under RFP FY21-013 offered by Insurance for Students as compared with current rates for 18-007V under Gallagher Risk Management Services.

FY21-013	Flat Fee	18-007V	Flat Fee
Insurance for Students	Annual Premium	Gallagher Risk Mgmt.	Annual Premium
July 1, 2020 – June 30, 2021	\$44,256.00	July 1, 2020 – June 30, 2021	\$47,206
July 1, 2021 – June 30, 2022	\$44,256.00	July 1, 2021 – June 30, 2022	\$47,206
July 1, 2022 – June 30, 2023	\$44,256.00*	July 1, 2022 – June 30, 2023	\$47,206
Total Premium	\$132,768	Total Premium	\$141,648

Third-year rate is contingent upon loss experience

Recommendation of \$500,000 or Less
FY21-013 – Catastrophic Student Accident Insurance
June 23, 2020 Board Agenda
Page 3

Financial Impact (continued)
Responsible: PWS and RM

Insurance for Student’s proposal provides a six (6) percent savings as compared to Gallagher Risk Management’s current pricing.

Insurance for Students offered the lowest premium as compared to the other two (2) proposals received.

Proposer	Annual Premium Offered	Cost Avoidance/Other Proposers
Insurance for Students	\$44,256	Six (6) percent savings
Gallagher Risk Management Services	\$52,647	Nineteen (19) percent increase
McGriff Insurance Services	\$57,780	Thirty (30) percent increase

The funding source will come from Risk Management’s operating budget. The financial impact amount represents an estimated contract value; however, the amount authorized will not exceed the contract award amount.