

**RFP #11-MISC-13**  
**PROPERTY AND CASUALTY INSURANCE**  
**(RENEWAL)**

**FACT SHEET**

A. **Overview:** This recommendation is to renew the contract for property and casualty insurance coverage for Frederick County Public Schools.

1. **Other Facts:**

- Coverage will be extended and renewed on an annual basis, if approved by the Board of Education; the renewal would be effective July 1, 2012 through June 30, 2013.
- This insurance will provide protection for loss/damage to real and personal property, including business interruption; data processing; boiler and machinery; business automobile; commercial general liability; crime coverage; builder's risk; errors and omissions and others.
- Changes for this renewal include the following:
  1. Increased property values to reflect the latest appraisal
  2. Increased student count
  3. Increased employee count
  4. Decreased auto count
  5. Coverage added for the vacant properties.
- Approximately \$964,880 was spent in FY12 on FCPS insurance coverage.
- The increase over last year's contract amount can mostly be attributed to the following:
  1. The addition of Vacant Building Insurance coverage which costs approximately \$29,838.
  2. An increase in Commercial General Liability Insurance which increased approximately \$55,770 (this increase is driven by total market claims as well as FCPS specific claims).
- Based on competitive quotes from our Broker BB&T Frederick Underwriters obtained for FCPS insurance needs; this renewal is market competitive based on FCPS's claims history and current market conditions.
- This contract will be administered by Ms. Leslie Pellegrino, Executive Director of Fiscal Services.

2. **Source of Funding:** Contingent upon FY13 Operating Budget Board approval.

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B. **Recommendation:** The Facilities and Finance Committee recommends renewal of RFP #11-MISC-13, Property and Casualty Insurance to BB&T Frederick Underwriters (Frederick, MD) at a total of \$1,058,318.

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C. **Action taken by the Board (Purchasing Department use):**

\_\_\_\_ Approved    \_\_\_\_ Denied                      \_\_\_\_ Deferred    \_\_\_\_ Other    SB/jpl

\_\_\_\_ Date                      \_\_\_\_ Date                      \_\_\_\_ Date                      \_\_\_\_ Date    BOE Mtg: 6/27/2012

**RFP #11-MISC-13  
PROPERTY AND CASUALTY INSURANCE  
PREMIUM AND RATE SUMMARY**

	FY 2012 BOE Expiring			FY 2013 BOE Estimated Renewal (with exposure changes)			Percent Increase	
	Exposure	Rate	Premium	Exposure	Rate	Premium		
<b>Real &amp; Business Personal Property</b>	<b>\$1,435,478,447</b>	<b>\$0.0324</b>	<b>\$465,095</b>	<b>\$1,459,441,717</b>	<b>\$0.0324</b>	<b>\$472,859</b>	<b>1.67%</b>	subtracted vacant bldgs
Ordinance or Law			incl			incl		
BPP of Others	\$90,000	\$0.0324	\$29	\$90,000	\$0.0324	\$29	0.00%	
Earthquake	Incl		\$15,000	\$10,000,000		\$1,600	-89.33%	\$25,000 ded. Expiring \$50,000 ded.
<b>Loss of Income w/ Extra Expense</b>								
BI/EE with No Monthly Limitation	\$5,000,000	\$0.0324	\$1,620	\$5,000,000	\$0.0324	\$1,620	0.00%	
<b>Valuable Papers &amp; Records</b>	\$100,000	\$0.021	\$21	\$100,000	\$0.021	\$21	0.00%	
<b>Accounts Receivable</b>	\$100,000	\$0.014	\$14	\$100,000	\$0.014	\$14	0.00%	
<b>Comprehensive Crime</b>								
Employee Dishonesty (\$2,500 ded.)	\$500,000		\$3,470	\$500,000		\$9,028	160.17%	
Forgery & Alteration	\$500,000		\$1,088	\$500,000		\$1,000	-8.09%	
Theft, Disappearance & Destruction	\$100,000		\$1,010	\$100,000		\$1,800	78.22%	
Computer Fraud	\$500,000		\$672	\$500,000		\$672	0.00%	
<b>Boiler &amp; Machinery (\$100,000,000 limit)</b>	\$100,000,000 limit			\$100,000,000 limit				
\$10,000 Deductible.			\$37,683			\$44,039	16.87%	
<b>Commercial General Liability</b>	40,236	\$1.369	\$55,083	40,487	\$2.738	\$110,853	101.25%	
Fellow Employee Coverage			incl			incl		
Employee Benefits Legal Liability	5,754	\$0.263	\$1,519	5,987	\$0.263	\$1,575	3.66%	
<b>Business Auto</b>								
Liability	665	\$354.73	\$235,895	649	\$354.73	\$230,220	-2.41%	
Physical Damage	665	\$102.60	\$68,229	649	\$102.60	\$66,587	-2.41%	
Hired & Non-Owned			\$307			\$307	0.00%	
Garage Keepers			\$612			\$612	0.00%	
<b>Inland Marine</b>								
Electronic Data Processing & Telephone	\$30,000,000	\$0.050	\$15,000	\$30,000,000	\$0.050	\$15,000	0.00%	
Contractors Equipment	\$2,974,515	\$0.300	\$8,924	\$2,974,515	\$0.300	\$8,924	0.00%	
Leased/Rental Equipment	\$75,000		\$500	\$75,000		\$500	0.00%	
Audio Visual	\$2,834,439	\$0.050	\$1,417	\$2,834,439	\$0.050	\$1,417	0.00%	
Musical Instruments	\$2,088,635	\$0.250	\$5,222	\$2,088,635	\$0.250	\$5,222	0.00%	
Athletic Equipment	\$1,307,061	\$0.100	\$1,307	\$1,307,061	\$0.100	\$1,307	0.00%	
Towers, Radios	\$68,000	\$0.600	\$408	\$68,000	\$0.600	\$408	0.00%	
Electronic Equip other than EDP	\$1,683,602	\$0.050	\$842	\$1,683,602	\$0.050	\$842	0.00%	
Library Books	\$19,673,996	\$0.050	\$9,837	\$19,673,996	\$0.050	\$9,837	0.00%	
Valuable Papers other than Books	\$100,000	\$0.050	\$50	\$100,000	\$0.050	\$50	0.00%	
Fine Arts	\$500,000	\$0.095	\$475	\$500,000	\$0.095	\$475	0.00%	
Historic Papers	\$50,000	\$0.095	\$48	\$50,000	\$0.095	\$48	0.00%	
Employees' Tools	\$25,000	\$1.500	\$375	\$25,000	\$1.500	\$375	0.00%	
<b>Transportation</b>	\$100,000		\$500	\$100,000		\$500		
Motor Carrier Custody	\$100,000		incl	\$100,000		incl		
Rail Carrier Custody	\$100,000		incl	\$100,000		incl		
Air Carrier Custody	\$100,000		incl	\$100,000		incl		
US Postal Service Custody	\$100,000		incl	\$100,000		incl		
Single Conveyance Vehicle	\$100,000		incl	\$100,000		incl		
IM Terrorism								
<b>Builders Risk (Annual Rate per \$100 compl. value)</b>	\$30,000,000		\$5,000	\$30,000,000		\$5,000	0.00%	
MNC Rate, \$1,000 Ded		\$0.070			\$0.070			
MNC Rate, Optional \$10,000 Ded.		\$0.050			\$0.050			
<b>School Leaders Errors &amp; Omissions</b>								
\$25,000 Retention	\$1,000,000		\$26,386	\$1,000,000		\$32,983	25.00%	
<b>Student Medical Professional</b>	73	\$17	\$1,241	147	\$15	\$2,756	122.08%	Rate decreased, exposure increased due to new MSDE Academy of Health Professions
<b>Total Premium</b>			<b>\$964,880</b>			<b>\$1,028,480</b>	<b>6.59%</b>	
<b>Vacant Building Coverage</b>						<b>\$29,838</b>		
						<b>\$1,058,318</b>		