

The Indian River County District School Board met on Tuesday, April 24, 2012, at 1:00 p.m. The workshop was held in the Teacher Education Center located at the J.A. Thompson Administrative Center, 1990 25th Street, Vero Beach, Florida. School Board Members attending were: Chairman Jeff Pegler, Vice Chairman Carol Johnson, and Board Members: Matthew McCain, Karen Disney-Brombach, and Claudia Jiménez. Dr. Frances J. Adams, Superintendent of Schools, and School Board Attorney Suzanne D'Agresta were also present.

Property, Casualty, Workman's Compensation Workshop

Attendees:

George Erickson, Siver Insurance Consultant
Stephanie Scherrer, Siver Insurance Consultant

Note: Mrs. Disney-Brombach was present at the workshop by telephone.

- I. Discussion was called to Order by Chairman Pegler
- II Purpose of the Discussion – Dr. Adams
Dr. Adams stated that the purpose of today's discussion was to hear the bid process and the recommendation process.

Note: Action D. Approval to Award Contract for RFP for Property and Casualty Insurance and Student Accident Insurance, SDIRC 2012-05 Part III., was on the April 24, 2012, Business Meeting for Board action.

- III. Open Discussion – Dr. Adams
Dr. Adams asked Mr. Chuma to begin with the presentation of guests and the bid process. Mr. Chuma introduced George Erickson and Stephanie Scherrer, Siver Consultants. He reviewed the RFP process. Part I was to obtain a Consultant through the RFP process. As a result, Siver was Board approved on December 13, 2011, to assist the District with the next two parts of the process. Part II, Request to Pre-qualify agents/brokers for self-insurance funds and direct writing insurers resulted in all vendors being recommended to proceed to Part III. Mr. Chuma reviewed the process in Part III. All three agent/broker submissions were reviewed in depth by the Consultant and the Evaluation Team based on specific criteria. The Team selected Employers Mutual Inc. (EMI) as the lowest cost and best overall insurance coverage for the District. Student accident insurance was a component of this RFP; however, that section of this RFP required additional evaluation and would be presented to the Board at a later date. Dr. Adams asked Mr. Chuma to state the names of staff who served on the Evaluation Team.

Consultants Findings

Mr. Erickson, Siver Consultant, stated that the purpose today was to ensure that the information was understandable to ensure that the Board was able to make a mindful decision. He said that his firm wants the Board to see the facts and make a decision. Mr. Erickson said that there was an April 30 deadline in order to sever the current relationship with EMI (SCERMP South Central Educational Risk Management Program). He explained that they condensed thousands of pages in order to do a two-page cost comparison that was included in the information packet given to the Board at the workshop. Types of coverage included in the proposals were property coverage; boiler and machinery; crime; school leaders' errors and omissions; worker's compensation; general liability; and automobile liability. Mr. Erickson stated the differences between the companies regarding how the insurance would be provided. For comparison purposes, Siver utilized current loss experience for the past five years' loss average with an adjustment of 5% inflation, in order to do a comparison. Mr. Erickson said that they were not actuaries; therefore, they do not project future potential losses.

In regard to property coverage, Mr. Erickson noted that EMI included in their quote a 7-8% decrease in property coverage, when the average was 15% increase throughout Florida. He said that he expected maybe a 5-10% increase that would have been amazing. Mr. Erickson said that he does not know how they managed to do it.

Note: Mrs. Disney-Brombach was present (1:44 p.m.)

Under all other liability coverage, Mr. Erickson reviewed the differences between the quotes. He said that there were no significant differences between all of the insurance coverage. The deductibles offered were an area to consider as well as the premiums that would be due July 1, 2012. He presented, as an example, how the coverage would work under each quote.

Board Members were given an opportunity to ask questions. Dr. Adams summarized by reminding the Board that there was an April 30 deadline. She said that it was a fair process and asked the Board to review the information presented. In conclusion, Dr. Adams and the School District's Evaluation Team recommended the current provider's quote from EMI (SCERMP Consortium) for approval at the 6:00 p.m. Business Meeting.

IV. ADJOURNMENT – Chairman Pegler

With no further discussion, the workshop adjourned at approximately 2:41 p.m.