

DESCRIPTION OF POLICIES

General Liability and Workers' Compensation

Provides primary coverage for the Board's enrolled contractors and subcontractors for both general liability and workers' compensation benefits. The policy also provides additional insured status to all construction managers and other professional services firms as necessary.

Insurance Limits	Per Loss Deductible	Coverage
Contractual/Aggregate: \$2,000,000/\$4,000,000	\$500,000	WC/employers liability General Liability

is included in the event that a single occurrence results in both a WC/EL claim and a general liability claim.

claims handling via an escrow account established by the Board. Kemper will provide all claim administration services and management recovery of PPA discounts fraud. All OCIP claim payments will be issued by Kemper Insurance Company via escrow accounts the Board establishes with Kemper Insurance Company. The Department of Risk and Benefits Management will endorse the escrow agreement annually and will deposit escrow funds upon receipt of invoice for prior period claim payments and return of documents.

Abatement Liability & Contractors Liability

Blanket abatement liability coverage for the Board and all abatement contractors for bodily injury and property damage claims due to environmental exposures. The contractor environmental liability coverage for all contractors on the job site for unanticipated pollution exposures.

Excess Liability Insurance

excess policy premiums are specific loss or aggregate losses exceed the primary insurance limits. The excess insurance provides \$500,000 per occurrence for the project term.

Surety

Collateral to be used to secure future claim and premium funding assurance required by Kemper. The collateral is provided by Kemper and TIC until

Escrow funding for losses occurring after April 11, 2002 will be issued directly to Kemper.

Coverage	Premium
General Liability & Workers Compensation	\$3,133,304 subject to upward adjustment based on audited workers compensation payroll.

Environmental Liability	\$C Extension to 4/1/03 at no additional cost to the Board
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\$10 million xs primary

1st Layer

Royal

\$500,000

6th Layer	St Paul \$275,000 \$25 million xs \$25 million
Surety	Approximately \$135,000 for bonds required
Reserve Escrow Account	75% of maximum anticipated loss under the term of policy. Future funding via OCIP fund issues.
Claims Escrow	\$2,500,000 anticipated over life of program

over three years. OCIP Program over three year from 1% of all future bond

since the vendor are merely a conduit of the funds and receives no payment. This transaction is precluded from M/WBE review pursuant to Section 3.7 of the Revised Remedial Plan for Minority and Women Business Enterprise Contract participation (M/WBE Plan) this contract is exempt from review because

AFFIRMATIVE ACTION: Pursuant to Section 3.7 of the WBE Plan, this vendor is merely a conduit of the funds and receives no payment.

ISO REVIEW: Local School Council approval is not applicable to this report.

Premium and

Close P.O. # 124363 and re-allocate \$2,438,605.82 to fund Escrow Account. Allocate 1% all future bond issues be reserved for OCIP claims and expenses.

