

March 23, 2005

APPROVE THE EXTENSION OF THE INSURANCE BROKERAGE AND ADMINISTRATIVE SERVICES AGREEMENT WITH AON RISK SERVICES OF ILLINOIS AND THE EXTENSION OF THE INSURANCE PLACEMENT FOR THE BOARD'S OWNER CONTROLLED INSURANCE PROGRAM

THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:

Approve the extension of the Insurance Brokerage and Administrative Services Agreement with Aon Risk Services of Illinois (Aon) to provide broker and run-off services for the Board's Owner Controlled Insurance Program (OCIP) at a cost not to exceed \$165,000 for a 2-year term. Approve a final extension

of the OCIP and the extension of the primary and excess liability insurance to August 20, 2005 for the

Little Village school project only. All other OCIP coverage ends on April 1, 2005 and Aon will provide services necessary to manage the Board's obligations and bring the program to conclusion. Approve the continued maintenance of the escrow accounts to provide run-off claims and administrative services to pay all OCIP claims incurred prior to August 20, 2005, not to exceed \$3,400,000. Approve payment to AON for additional insurance audit premium due to AIG as previously authorized, not to exceed \$2,279,000. Approve the extension of the environmental liability insurance for the Board's entire Capital

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[REDACTED] with experience and environmental health insurance. Available administration services for the success of

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

excess liability insurance and surety bond. Payments will be made to Martin Boyer Company, Aon (for
Kemper claims) and AIG Insurance to fund the established claim reserve accounts up to \$2,400,000.

AUTHORIZATION: Authorize the General Counsel to include other relevant terms and conditions in the

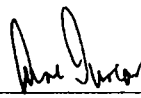
written extension agreement. Authorize the President and Secretary to execute the extension agreement.
Authorize the Chief Financial Officer, or his designee, to execute all ancillary documents required to

Approved for Consideration:



**Heather A. Obora
Chief Purchasing Officer**

Approved:



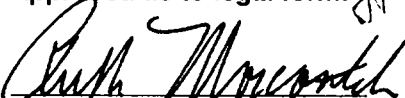
**Arne Duncan
Chief Executive Officer**

Within Appropriation:



**John Maiorca
Chief Financial Officer**

Approved as to legal form:



**Ruth M. Moscovitch
General Counsel**