

**AMEND BOARD REPORT 05-0727-PR21**

**AMEND BOARD REPORT 05-0323-PR12**

**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 September 5, 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

**ORIGINAL AGREEMENT WITH AON: The original Insurance Brokerage and Administrative Services**

Agreement (authorized by Board Report 01-0328-PR22), in the amount of \$715,000.00, is for a term commencing April 1, 2001 and ending April 1, 2002, with the Board having one option to renew the agreement for an additional 1-year term. The option to renew was exercised for a term commencing April 1, 2002 and ending April 1, 2003, in the amount of \$875,000 (authorized by Board Report# 02-0327-PR10). The agreement was renewed for a second period commencing April 1, 2003 and ending April 1,

## Insurance Run-Off

Program	Cost	Details
AIG Insurance Audit	Up to \$2,270,000	Based on anticipated audit of \$35 million additional payroll experience at \$6.48 per \$100 payroll. This audit was agreed to under the Board's agreement with AIG authorized under Board Report# 03-0423-PR17.
AIG Environmental Insurance	Up to \$120,000	Allow extension of Board blanket environmental liability program for the Capital Improvement Program from 4/1/05 to 10/31/05 to coincide with the Board's excess liability insurance renewal.

**GENERAL CONDITIONS:**

Inspector General – Each party to the agreement shall acknowledge that, in accordance with 105 ILCS

investigations and that the Inspector General shall have access to all information and personnel necessary to conduct those investigations.

Conflicts – The agreement shall not be legally binding on the Board if entered into in violation of the provisions of 105 ILCS 5/34-21.3 which restricts the employment of, or the letting of contracts to, former Board members during the one year period following expiration or other termination of their terms of

office.

Indebtedness – The Board's Indebtedness Policy adopted June 26, 1996 (96-0626-PO3), as amended from time to time, shall be incorporated into and made a part of the agreement