



UNITED INDEPENDENT SCHOOL DISTRICT AGENDA ACTION ITEM

TOPIC Award of the District Paid Life Insurance Program

SUBMITTED BY: Robert Chapa ~~_____~~ **OF:** Risk Management

APPROVED FOR TRANSMITTAL TO SCHOOL BOARD: May 21, 2008

DATE ASSIGNED FOR BOARD CONSIDERATION: May 21, 2008

RECOMMENDATION:

In May 2005 the UISD Board awarded a four year contract for employee life insurance to the Alamo Insurance Group and Ft. Dearborn Insurance Company at a fixed rate for the first three years and a fourth year at a rate to be negotiated based on loss run data.

The Employee Benefits Committee has finalized negotiations and recommends the Board accept the vendor proposal of renewing the life insurance contract for the fourth and final year at a rate of \$.068 per \$1,000. This represents a premium of \$1.70 per month per employee for \$25,000 of life insurance coverage.

RATIONALE:

The proposed rate is +4.6% above the present rate and represents \$0.07 per employee per month. Loss ratios for the district are running at 99% of premium. The proposed increase is reasonable under the circumstances.

BUDGETARY INFORMATION

Premiums included in the 2008-09 budget.

BOARD POLICY REFERENCE AND COMPLIANCE:



May 2, 2008

Mr. Robert Chapa
United ISD
201 Lindenwood Drive
Laredo, Texas 78045

Subject: Renewal Analysis Package
United ISD
Group Life Policy #GFZ02014
Anniversary Date: 9-1-08

Dear Mr. Chapa:

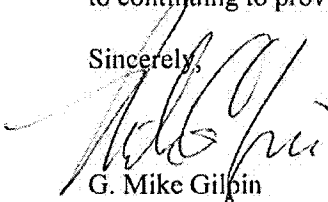
Fort Dearborn has reviewed the current demographics of your group life insurance program along with your actual experience. Below are the rates that will apply on the anniversary date.

Benefit Program	Renewal Rates
Basic Life	\$.068 per \$1,000

This rate is guaranteed for three years with the next rate review scheduled for 9-1-2011.

Alamo Insurance Group and Fort Dearborn Life value our relationship with you and look forward to continuing to provide quality service to your employees in the future.

Sincerely,



G. Mike Gilpin
President

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San Antonio, Texas 78230
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FORT DEARBORN LIFE
Insurance Company

Group Name: United ISD

Date: Mar 12, 2008

Coverage: Life

Number of Insureds: 4,913

Period	Paid Premium	Paid Claims	Incurred Claims	Loss Ratio
09/2005 - 08/2006	97,555.00	108,333.00	108,333.00	1.11
09/2006 - 08/2007	104,340.00	91,667.00	92,786.53	0.89
09/2007 - 01/2008	45,669.00	41,667.00	42,535.82	0.93
Totals	247,564.00	241,667.00	243,655.35	0.99

Inforce Rate: 0.07

Experience Rate: 0.08

Manual Rate: 0.10

Credibility Factor: 76.9%

Renewal Rate: 0.0680