



WEST ORANGE – COVE CISD

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Anitrea Goodwin
Executive Director of Human Resources

TO: Rickie Harris, Superintendent

FROM: Anitrea Goodwin

DATE: July 14, 2016

SUBJECT: 2016-17 Workers' Compensation Plan

The District entered into an agreement with Claims Administrative Services, Inc. to administer our Workers' Compensation plan. Our current plan expires August 31, 2016. Claims Administrative Services has presented two (2) options for the District's consideration:

Option#1

Begin New 3 Year Plan /Year 1*	
Guaranteed Cost (Payment in Full) Due 9/1	Guaranteed Cost (Quarterly payments of 40%, 20%, 20%, 20%) Due 9/1, 12/1, 3/1, and 6/1
\$ 90,625-\$ 88,685 (Last year's renewal cost)=\$ 1,940	

*The District cannot exit plan before the end of year 3

Advantages: Cost is guaranteed for three years

The three year cost is slightly lower in comparison to the cost of the one year plan

Disadvantages: The District does not have the opportunity to seek competitive bids for at least three years



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Option #2

Begin New 1 Year Plan/Year 1**	
Guaranteed Cost (Payment in Full) Due 9/1	Guaranteed Cost (Quarterly payments of 40%, 20%, 20%, 20%) Due 9/1, 12/1, 3/1, and 6/1
\$90,888-\$88,685 (Last year's renewal cost) = \$ 2,203	

**The District can exit plan after one year

Advantages: Cost is guaranteed for one year

The District can exercise its option to seek competitive bids prior to year end as a means of ensuring that the District is receiving the best possible pricing for this service.

Disadvantages: The annual cost of the one year plan is slightly higher than the annual cost of the three year plan

There is no guarantee that pricing will be lower than what the District is currently being offered

RECOMMENDATION:

It is recommended that the District choose Option #2 with the following stipulations:

- Send written notification to Claims Administrative Services of the District's intent to terminate its contract effective August 31, 2017
- Solicit bids for Worker's Compensation Administrator beginning in January 2017