

**Denton ISD**  
**Property, School Liability, Privacy & Information Security and**  
**Automobile Insurance Renewal**  
 May 16, 2023

**SUMMARY:**

This item requests approval of the Insurance Property Coverage, School Liability (Professional, General and Employee Benefit) Automobile Liability, Automobile Physical Damage, Privacy & Information Security and Violent Acts Coverage for Denton ISD effective July 1, 2023.

**BOARD GOAL:**

Growth & Management... In pursuit of excellence, we will:

- Adjust policies and procedures to address rapid growth and changing demographics, nurturing our strong sense of community
- Demonstrate effective and efficient management of district resources
- Provide leadership and/or oversight to ensure District meets all fiscal, legal, and regulatory requirements

**PREVIOUS BOARD ACTION:**

On April 26, 2022, the Board approved the renewal of Texas Association of School Boards Risk Management Fund (TASB) as the District’s insurance provider for this coverage.

**BACKGROUND INFORMATION**

- The Interlocal Participation Agreement between TASB and Denton ISD was approved by the Board of Trustees on March 29, 2022 and remains in effect unless terminated.
- For 2022-2023, all Wind, Hurricane and Hail losses were subject to a deductible of \$2,500,000, which was an increase from \$1,000,000 in 2021-2022.
- For 2022-2023, the District opted to purchase the Wind and Hail Deductible Buy Down. This lowered our wind-hail deductible from \$2,500,000 to \$1,000,000 per occurrence. The cost of this endorsement was \$ 537,000.

**SIGNIFICANT ISSUES:**

- The Fund will provide replacement cost value up to \$500,000,000 per occurrence.
- For 2023-2024, the definition of weather perils has been revised to include losses from convective storms or freezing temperatures. Therefore, the deductible for such losses will be \$2,500,000.
- Over the last three fiscal years, the District has sustained significant losses caused by freezing temperatures.
- The sublimit for wind/hail loss to single ply membrane roofs and accompanying roof systems remains \$5,000,000.

Property Coverage	2023-2024 Limit	2023-2024 Deductible	2022-2023 Limit	2022-2023 Deductible
All Perils except Wind, Hurricane, and Hail	\$500,000,000	\$500,000	\$500,000,000	\$500,000
Wind, Hurricane, and Hail	\$500,000,000	\$2,500,000	\$500,000,000	\$2,500,000
Extra Expense & Loss in Revenue	\$2,000,000	per underlying loss	\$2,000,000	per underlying loss
Flood	\$2,000,000	\$500,000	\$2,000,000	\$500,000
Earthquake	\$2,000,000	\$500,000	\$2,000,000	\$500,000
Crime	\$100,000	\$50,000	\$100,000	\$50,000
Equipment Breakdown	\$100,000,000	\$500,000	\$100,000,000	\$500,000

**FISCAL IMPLICATIONS:**

Category	2023-2024	2022-2023	Premium Change	% Change
Property including Equipment Breakdown	\$2,820,765	\$2,399,573	\$421,192	14.93%
School Liability	\$259,108	\$242,503	\$16,605	6.41%
Auto Liability	\$156,990	\$145,669	\$11,321	7.21%
Auto Physical Damage	\$60,959	\$57,888	\$3,071	5.04%
Privacy & Information Security	\$7,000	\$5,000	\$2,000	28.57%
<b>Total: Contribution and Property &amp; Casualty</b>	<b>\$3,304,822</b>	<b>\$2,850,633</b>	<b>\$454,189</b>	<b>19.53%</b>
*Wind and Hail Deductible Buy Down*	\$0	\$537,000	-\$537,000	\$0
Premium Extra Expense & Loss in Revenue	\$0	\$15,000	-\$15,000	\$0
<b>Total with Endorsement</b>	<b>\$3,304,822</b>	<b>\$3,387,633</b>	<b>-\$97,811</b>	<b>-2.95%</b>

The Wind and Hail Deductible Buy Down is declined for 2023-2024. The policies will decrease at total \$97,811 under the 2022-2023 school year.

**BENEFIT OF ACTION:**

Approval of these coverages will provide security of the district’s assets.

**PROCEDURAL AND REPORTING IMPLICATIONS:**

Denton ISD is required to complete, sign, and return the Contribution & Coverage Summary prior to June 30, 2023, to avoid a lapse in coverage. Annual renewals are automatically generated unless the district provides a termination letter 30 days prior to June 30.

**SUPERINTENDENT’S RECOMMENDATION:**

Recommends the District approve the TASB Risk Management Fund proposal for the following coverages and term:

- Term: July 1, 2023, through June 30, 2024.
- \$500,000,000 million per occurrence limit for All Perils including Wind, Hurricane, and Hail.
- Crime, Equipment Breakdown, School Liability, Privacy & Information Security and Violent Acts.
- Automobile coverage with a liability deductible of \$5,000 per occurrence.
- Extra Expense and Loss in Revenue with a limit of \$2,000,000.
- The combined total premium with TASB for all services referenced is **\$3,304,822**.

**STAFF PERSONS RESPONSIBLE:**

Dr. J. Scott Niven, Deputy Superintendent  
Chris Bomberger, Executive Director of Risk Management, Benefits & Child Nutrition

**ATTACHMENTS:**

2023-05-16 Denton ISD ALP Contribution & Coverage Summary (CCS)

**APPROVAL:**

Signature of Staff Member Proposing Recommendation: \_\_\_\_\_

Signature of Divisional Leader: \_\_\_\_\_

Signature of Superintendent: \_\_\_\_\_