

Property/Casualty Insurance
May 26, 2015

SUMMARY:

This item requests approval of the Property/Casualty Insurance and the TASB Risk Management Fund Interlocal Participation Agreement.

BOARD GOAL:

VI. Growth & Change ... In pursuit of excellence, the district will:
a. Review and adjust policies and procedures effectively to address the challenges of rapid growth and changing demographic characteristics while maintaining and enhancing our strong sense of community.

PREVIOUS BOARD ACTION:

The Board approved the Texas Association of School Boards Risk Management Fund (TASB) as the District's insurance provider for Property, Equipment Breakdown, Miscellaneous Property, Liability, Vehicle Coverage, and Crime on December 9, 2014. The coverage term was January 1, 2015 – June 30, 2015.

BACKGROUND INFORMATION:

The Texas Association of School Boards Risk Management Fund has been the provider for the District's property coverage since 2001.

SIGNIFICANT ISSUES:

TASB Risk Management Fund's renewal proposal reflects the following:

- Data Breach/Privacy Protection coverage with added protection for costs such as legal fees, notification costs, forensic review, credit monitoring, etc. in the event of a data or privacy breach. Coverage includes limits of \$100,000 in defense and settlement costs, as well as costs associated with notification of up to 10,000 affected individuals plus \$100,000 for other breach response costs.
- Students of the Fund Member, only while the student is operating a Fund Member-owned or leased **Covered Automobile at the direction of a Fund Member employee acting within the course and scope of their employment.**
- The Property Coverage Agreement was amended to expand coverage for property of others by deleting the time limit on the duration of the rental agreement. "Property of others under the Fund Member's care, custody, and control through a long-term written lease or rental agreement"

FISCAL IMPLICATIONS:

TASB submitted the following proposal for coverage:

\$890,742,385 Blanket Replacement Cost on buildings, personal property and auxiliary structures with a \$250,000 deductible for wind, hurricane and hail and \$50,000 for all other claims. This proposal is for the 2015-2016 school year, beginning July 1, 2015 and ending June 30, 2016.

BENEFIT OF ACTION:

Approval of property/casualty coverage will provide security of the District's assets.

PROCEDURAL AND REPORTING IMPLICATIONS:

The District is required to complete, sign, and return the Contribution & Coverage Summary prior to June 30, 2015 in order to avoid a lapse in coverage.

SUPERINTENDENT'S RECOMMENDATION:

Recommend that the District approve the TASB Risk Management Fund Contribution and Coverage Summary for the renewal of the following coverages and term:

- Term: July 1, 2015 through June 30, 2016.
- \$890,742,385 Blanket Replacement Cost Limit - \$50,000 Deductible with \$250,000 Deductible for Wind, Hurricane and Hail (includes Flood, Earthquake, Crime and Equipment Breakdown)
- School Liability (Professional, General and Employee Benefits Liability)
- Vehicle coverage

Total Premium of \$ 528,537

STAFF PERSONS RESPONSIBLE:

Karen Almon, Director of Risk Management
Debbie Monschke, Assistant Superintendent of Administrative Services

ATTACHMENTS:

TASB Letter – Renewal Proposal
TASB Contribution and Coverage Summary with Conditions
DISD Comparison of Insurance Premiums

APPROVAL:

Signature of Staff Member Proposing Recommendation: _____

Comments: _____

Signature of Divisional Leader: _____

Comments: _____

Signature of Superintendent: _____

Comments: _____