



Property Insurance Options

1. PCAT

Reinsured by Landmark, Lexington, Liberty Surplus, Lloyds

No named storm sub-limit

2% named storm deductible

\$25,000 all other perils deductible

\$13,284,460 flood limit

.347 annual rate

2 year rate guarantee

2. Lloyds, Indian Harbor, Steadfast, QBE and Landmark

No named storm sub-limit

3% named storm deductible

\$100,000 all other perils deductible

No flood coverage

.40 annual rate

Markets approached who were not as competitive or did not offer a quote:

AmRisc, Arch, Axis, Ace-Westchester, First Specialty, LIU, RSUI



Property Insurance Comparisons

1. **Little Cypress Mauriceville ISD**
 - a. **\$88M Total Insured Values**
 - b. **\$25M Wind/Hail Limit**
 - c. **3% Named Storm deductible**
 - d. **\$5M Flood Limit**
 - e. **AmRisc, approximate \$.35 annual rate**

2. **Vidor ISD**
 - a. **\$137M Total Insured Value**
 - b. **\$25M Named Storm Limit**
 - c. **2% Named Storm deductible**
 - d. **\$10M Flood**
 - e. **AmRisc, approximate \$.35 annual rate**

3. **Orangefield ISD**
 - a. **\$50M Total Insured Value**
 - b. **Full Limit Named Storm**
 - c. **2% Named Storm deductible**
 - d. **\$5M Flood**
 - e. **United National, approximate \$.45 annual rate**

4. **West Hardin County**
 - a. **\$20.5M Total Insured Value**
 - b. **\$10M Wind/Hail Limit**
 - c. **2% Named Storm deductible**
 - d. **AmRisc, approximate \$.39 annual rate**

5. **Port Arthur ISD**
 - a. **\$446M Total Insured Value**
 - b. **\$25M Named Storm Limit**
 - c. **2% Named Storm deductible**
 - d. **\$5M Flood**
 - e. **AXIS/LIU/ACE/Aspen/RSUI, approximate \$.47 annual rate**





Addendum to the Interlocal Agreement

for

West Orange-Cove CISD

1. The Property Casualty Alliance of Texas (PCAT) and West Orange-Cove CISD agree that West Orange-Cove CISD will be a PCAT Member for the 2013-2014 through the 2014-2015 Participation Period. West Orange-Cove CISD will receive a 14.5% contribution reduction from 2012-2013 contributions based on current exposures. The rates and deductibles in effect for 2013-2014 will be applied to any changes in exposure during each Participation Period and these rates will be the basis for determining the Contributions due PCAT for each period. All Coverages written by PCAT for West Orange-Cove CISD during 2013-2014 will continue to be written through 2014-2015.
2. This Interlocal Agreement Addendum along with the most recently signed Interlocal Agreement shall represent the entire agreement and may not be amended or altered without the written consent of both parties.
3. This Addendum may be voided if there are material changes in the terms or conditions of reinsurance for PCAT. However, if this Addendum is terminated by PCAT, no short-term penalty will be incurred by West Orange-Cove CISD.
4. If West Orange-Cove CISD terminates this Addendum, a short-term cancellation penalty of fifteen percent (15%) of Annualized Contributions for the 2013-2014 Participation Period will be due from West Orange-Cove CISD and payable to PCAT within 30 days after notice of termination is received.
5. West Orange-Cove CISD agrees to make a best efforts attempt to obtain and appropriate funds for payment of PCAT Contributions.

This Addendum must be executed prior to the effective date of coverage.

The undersigned agrees to this Addendum.

West Orange-Cove CISD Authorized Signature

PCAT Board Member

Printed Name

Date

Date



Interlocal Agreement

This Interlocal Agreement ("Agreement") is entered into by and between the Property Casualty Alliance of Texas ("PCAT"), an administrative agency created by the participating Local Government Members (hereinafter defined), and the undersigned Member (hereinafter defined) (collectively "the parties") pursuant to the Interlocal Cooperation Act, Chapter 791, Title 7, Texas Government Code (the "Act"). The parties enter into this Agreement in accordance with the terms and conditions hereof to collectively and cooperatively provide a plan to efficiently and effectively administer a property/casualty program (hereinafter the "Program").

WITNESSETH

WHEREAS the undersigned Member is a political subdivision of the State of Texas and a local government under the Act and PCAT is an administrative agency created pursuant to the Act to administer the Program;

WHEREAS the Program provides a governmental function or service that the Member is authorized and/or required to perform individually;

WHEREAS the Member and PCAT are authorized to enter into this Agreement pursuant to the Act;

WHEREAS the Board of Trustees of Member has agreed to the terms and conditions of the Agreement and authorized Member to enter into this Agreement;

WHEREAS the Member desires to enter into the Agreement in order to provide a more efficient and effective way to acquire certain insurance coverage, including property and casualty insurance, and the reinsurance of such coverages, and the Member does hereby become a party to the Agreement; and

WHEREAS the Member, by entering into this Agreement, has satisfied requirements of the Member to seek competitive bids for the purchase of goods and services, including, but not limited to Chapter 44 of the Texas Education Code.

BE IT RESOLVED that the undersigned Member, in exchange for the promises and agreements contained herein agrees to the following:

The undersigned local government of the State of Texas (the "Member") in consideration for the promise of PCAT, subject to the terms and conditions herein, to provide property, boiler & machinery, auto physical damage, inland marine, electronic data processing equipment, crime, general liability, auto liability, educator's legal liability, employment-practices liability, storage tank liability and similar and related property and casualty lines of insurance and/or self-insurance funding; reinsurance; claims administration; loss prevention/control services; and other risk management services as needed for the Member, and in further consideration of other local government members participating in the Program (hereinafter Local Government Members) executing this Agreement, does hereby adopt and execute the Agreement and become a Member in the Program, which includes the payment of contributions to the Program as described herein. As such, the Member agrees to the following terms and conditions:

TERMS AND CONDITIONS

1. **Contribution and Coverage Summary.** The Member agrees that the Participation Period (hereinafter defined as the period of time the Member is responsible for the payment of Contributions), Contributions and coverages provided hereunder shall be as specified in the Contribution and Coverage Summary provided by the Program to the Member.
2. **Term.** Pursuant to the Act, so long as two or more Members remain in the Program, this Agreement shall renew annually, unless terminated sooner in accordance with the Termination provisions of this Agreement.
3. **Termination.**
 - a. **By Member.** The Member may terminate this Agreement at the end of any Participation Period by giving a sixty (60) day written notice to the Program. The member may not effect termination of this Agreement in between the beginning and end of any Participation Period, except as provided in this Termination provision.
 - b. **By Program.** The Program may terminate this Agreement at any time by:
 - i. Giving ten (10) days notice by certified mail to the Member if the Member refuses to make the payments of contributions as herein provided;
 - ii. Giving ten (10) days notice by certified mail to the Member if Member fails to cooperate and comply with any reasonable requests for information and/or records made by the Program;
 - iii. Giving thirty (30) days notice by certified mail to the Member if the Member fails or refuses to follow loss prevention recommendations made by the Program or its designee; or
 - iv. Giving thirty (30) days notice by certified mail to the Member if the Member fails or refuses to comply with any agreement or undertaking on its part set forth in this Agreement or otherwise breaches this Agreement.
 - c. **Adverse Governmental or Judicial Intervention.** This Agreement may be terminated by the Member during the Participation Period according to the terms of paragraph 11 of the General Provisions section of this Agreement.
 - d. **Excess Coverage.** This Agreement may be terminated by either party during the Participation Period according to the terms of paragraph 7 of the General Provisions section of the Agreement.
 - e. **Financial Responsibilities Upon Termination.** If the Member breaches this Agreement, or if the Program terminates participation of the Member under any provision of this Article, the Member shall bear the full financial responsibility for any unpaid contributions and shall forfeit all contributions already made to the Program. Further, the Program may seek any amount due, if any, as liquidated damages from the terminated Member, including without limitation, initial estimated and adjusted contributions that are due the Program.

- f. **Equity.** If the Member terminates this Agreement, or is terminated by PCAT, then the Member forfeits all rights to any potential equity in PCAT for the Member's current and prior participation periods. The Board reserves the right to distribute equity in a manner determined by the Board.
4. **Contributions.** Member agrees to pay contributions based upon a risk-funding plan developed by the Program. Contributions as shown on the Contribution and Coverage Summary are payable upon receipt of an invoice from the Program and shall be made from Current Revenues available to the Member. All Contribution invoices are deemed late if not paid within forty-five (45) days of the invoice date, and the Program shall have the right to terminate the Member subject to 3.b.i. of the Termination provisions. The Program reserves the right to collect all initial, estimated and adjusted contributions that are due the Program in the event of breach of this Agreement by the Member or termination by the Program. The contribution shown on the Contribution and Coverage Summary and endorsements is an estimate. The Program reserves the right to audit the records of any Member, as those records pertain to participation in the Program.
5. **Loss Prevention.** The Member shall have a loss prevention plan, which will be coordinated with the Program to make all reasonable efforts to eliminate and minimize hazards that would contribute to property/casualty losses.
6. **Property Valuations.** A Member participating in the property coverage as indicated on the Contributions and Coverage Summary agrees to cooperate with a valuation of property values performed by the Program. New Members must cooperate with the Program to complete the property valuation within ninety (90) days of the inception date of the property coverage as stated on the Contribution and Coverage Summary. The newly valued property and the corresponding additional contribution will be retroactive to the date of the property coverage inception date.
7. **Vehicle Schedule.** The Member participating in the Automobile Liability and/or Automobile Physical Damage coverage agrees to submit a vehicle schedule, and maintain the vehicle schedule during the term of this Agreement. The schedule shall be in a format approved by the Program, or its designee.
8. **Claims Administration.** PCAT agrees to handle any and all claims after notice of loss has been given (notice of loss is defined in the Member's coverage documents received under the Program). The Member agrees to appoint PCAT, or its designee, to act in all matters pertaining to the processing and handling of property/casualty claims and shall cooperate fully in supplying all information needed. PCAT, or its designee, shall make all decisions regarding resolution of the Member's claims.
9. **Optional Policies.** From time to time, PCAT may seek to obtain access for Members to optional insurance policies that provide coverage from losses not otherwise addressed by the Property Casualty Alliance of Texas (for example, wind damage). These policies shall create a direct insurer-insured relationship between the offering company and any participating Member, and shall not otherwise be governed by this Agreement. PCAT shall not provide claims administration services for these optional lines of coverage, and shall bear no risk with respect to these policies.

GENERAL PROVISIONS

1. **Bylaws.** The Member shall agree to abide by the Program Bylaws.
2. **Complete Understanding.** This Agreement represents the complete understanding of the Parties, supersedes all prior written and oral agreements, and may not be amended or altered without the written consent of the parties.
3. **Contribution Adjustment.** Nothing in this Agreement shall relieve a Member or former Member from its obligations as an employer self-insuring through this Program. Thus, should the Program's income from operations for any given fund year be inadequate to pay the ultimate cost of claims incurred in that fund year, the Program may collect an adjusted contribution from a Member who no longer participates in the Program if that Member's contribution attributable to that fund year is inadequate to pay claims incurred during that fund year.
4. **Cooperation and Access.** The Member will furnish annually to PCAT the total number of enrolled students and employees (broken into teaching and non-teaching members); as well as property, auto, inland marine, electronic data processing equipment schedules, and other underwriting information deemed reasonably necessary by PCAT within the time period specified by the Program. PCAT reserves the right to audit the records of the Member. Member agrees to annually release and/or authorize the release of current-valued claims information to PCAT for the previous five (5) years to allow PCAT to determine the Member's participation in the Program.
5. **Current Revenues.** Contributions due pursuant to this Agreement shall be made from Current Revenues available to the Member, and said amount determined in the annual Contribution and Coverage Summary provided to the Member by PCAT.
6. **Defense and Prosecution of Claims.** The Member authorizes the Program to engage counsel and/or relevant experts, in the Program's sole discretion, with respect to any claim, dispute, defense or litigation involving any past or current Member.
7. **Excess Coverage.** The Program shall provide excess coverage to ensure the Program's financial integrity. The Program may also act on behalf of individual Members to obtain coverage, invoice the Member, and remit the payment to the appropriate party. In the event of a substantial change in terms or cost of excess coverage during the term of this Agreement, the Program reserves the right to make adjustments to the terms of this Agreement, or terminate this Agreement, with sixty (60) days notice to the Member. For the purposes of this provision, a substantial change is defined as an increase in net excess costs of more than twenty-five percent (25%). The Member will have the right to terminate this Agreement prior to the effective date of the adjustment. The Program is not responsible for any payment or any obligations to the Member from any excess insurance company, reinsurance company, or stop-loss company.
8. **Governance.** The PCAT will be governed by a Board of Trustees of PCAT ("Board") in accordance with the Bylaws created and adopted by the Board (hereinafter "Bylaws").
9. **Independent Actuarial Study.** PCAT shall provide for an annual independent actuarial study of the Program.

10. **Independent Financial Audit.** PCAT shall provide for an annual independent financial audit of the Program.
11. **Intervening Legislative or Judicial Action.** If after the execution of this Agreement, the State or Federal governments or the highest courts of either enact any statute, pass any rule or enter any decision that would substantially impact the rights or financial obligation of the Program as it pertains to this Agreement, the Program is given the right to recalculate the Member's contributions and corresponding obligations to the Program to compensate for the impact of the intervening governmental or judicial event. If the Program exercises that option, it shall give forty-five (45) days advance notice to the Member of the intent to recalculate contribution and obligations and shall also detail the specifics occasioning such intervening governmental or judicial actions precipitating such event. The Member shall then have the right during that forty-five (45) day period to give written notice to the Program that the Member is terminating the Agreement upon the expiration of such forty-five (45) day period. If the Member fails to give the Program timely notice of intent to terminate, then the Member shall be deemed to have consented to the Program's modifications and agrees to abide by and be bound by the Agreement as amended.
12. **Investments.** PCAT may invest Member contributions, or any portion thereof, in accordance with guidelines approved by the Board.
13. **Lawsuit.** The Member does hereby agree that any suit brought against the Member pursuant to any of the provisions of the Program may be defended in the name of the Member by counsel selected in the sole discretion of the Program, or its designee, on behalf of and at the expense of the Program as necessary for the defense and/or prosecution of any legal action. Full cooperation by the Member shall be extended to supply any information reasonably needed or required in such defense.
14. **Member Representative.** The Member agrees to designate a Member Representative who shall have authority from the Member's Board of Trustees to represent and bind the Member, and the Program will not be required to contact any other individual regarding Program matters for the Member. Any notice to or any agreements with the Member Representative shall be binding upon the Member. The Member reserves the right to change the Member Representative as needed by providing written notice to the Program. Such notice is not effective until actually received by the Program.
15. **Notice.** Any written notice to the Program shall be made by first class mail, postage prepaid, and delivered to the Chairperson, Property Casualty Alliance of Texas, 12300 Dundee Court, Suite 112, Cypress, Texas 77429.
16. **Severability.** If any portion of this Interlocal Agreement shall be declared illegal or held unenforceable for any reason, the remaining portions hereof shall continue in full force and effect.
17. **Venue.** This Agreement shall be governed by and construed in accordance with the laws of the State of Texas, and venue shall lie in Harris County, Texas, unless otherwise mandated by law.
18. **Warranty.** By the execution and delivery of this Agreement, the undersigned individuals warrant that they have been duly authorized by all requisite administrative action required to enter into and perform the terms of this Agreement.

IN WITNESS WHEREOF, the undersigned shall become a Member of the Program and this Agreement.

PUBLIC SCHOOL ENTITY

Signature of Member Representative

Printed Name of Member Representative

Date

PROPERTY CASUALTY ALLIANCE of TEXAS

Signature of PCAT Chairperson

Printed Name of PCAT Chairperson

Date



Property Casualty Alliance of Texas

2013 Proposal

West Orange-Cove CISD

Presented by:

Kerry Sims

NAS

12300 Dundee Court Suite 112

Cypress, TX 77429

877-373-9339 ♦ ksims@nasrisk.com

pcatprogram.org



West Orange-Cove CISD

Contribution & Coverage Summary

1st Year of 2 Year Rate Guarantee
Participation Period: September 1, 2013 to September 1, 2014

Property	Total Values
Buildings	\$ 125,792,399
Business Personal Property	\$ 30,929,017
	\$ 156,721,416

Replacement Cost Coverage Enhancements

Scheduled Limits Do Not Apply
Co-Insurance Penalties Do Not Apply

Deductibles

All Perils, Except Wind & Hail	\$ 25,000 per occurrence
Wind & Hail	2% per location
Flood - Excluding Zones Prefixed A or V	\$ 100,000 per occurrence

Additional Property Coverages

All are Sublimits of the Total Values and are Subject to the Deductibles shown above.

	Limits
Accounts Receivable	\$ 250,000
Arson, Theft and Vandalism Rewards	\$ 25,000
Back-up of Sewers, Drains or Sumps	\$ 25,000
Building Ordinance or Law - Blanket	
Demolition Cost & Increased Cost of Construction	\$ 2,000,000
Loss to Undamaged Portion of the Building	Included
Debris Removal	\$ 250,000
Earthquake and Volcanic Eruption	\$ 1,000,000
Errors & Omissions	\$ 500,000
Extra Expense	\$ 2,000,000
Fire Department Service Charge	\$ 25,000

Additional Property Coverages, Cont.

Limits	
	Included
Fire Extinguishing Equipment Recharge	
Flood - Excluding Zones Pre-fixed A or V - Annual Aggregate	\$ 1,000,000
Foundations and Underground Pipes	\$ 100,000
Inventory & Appraisal	\$ 25,000
Miscellaneous Unnamed Locations	\$ 50,000
Newly Acquired or Constructed Buildings - 180 days	\$ 1,000,000
Outdoor Property	\$ 2,000,000
Outdoors Trees, Shrubs & Plants	\$ 25,000
Personal Effects and Property of Others	\$ 100,000
Personal Property at Newly Acquired or Constructed Buildings - 180 days	\$ 500,000
Pollution Cleanup and Removal	\$ 100,000
Preservation of Property	Included
Spoilage	\$ 100,000
Tenant Glass	\$ 10,000
Theft Damage to Building	Included
Underground Water Seepage	\$ 25,000
Utilities Services -- Direct Damage	\$ 50,000
Valuable Papers and Records	\$ 50,000

Inland Marine Coverages	Deductible	Limits
<i>All are Sublimits of the Total Values subject to the Deductibles shown.</i>		
Audio Visual Equipment	\$ 5,000	\$ 100,000
Band Equipment, Uniforms, & Musical Instruments	\$ 1,000	\$ 500,000
Electronic Data Processing Equipment Media & Data	\$ 5,000	\$ 2,000,000 Included
Fine Arts	\$ 1,000	\$ 25,000
Miscellaneous Equipment	\$ 1,000	\$ 500,000
Personal Effects and Property of Others - Off Premises	\$ 1,000	\$ 100,000
Personal Property In Transit	\$ 1,000	\$ 50,000
Property Off-Premises	\$ 1,000	\$ 100,000
Crime	Deductible	Limits
Employee Dishonesty	\$ 1,000	\$ 100,000
Money & Securities - Inside Premises	\$ 1,000	\$ 50,000
Money & Securities - Outside Premises	\$ 1,000	\$ 50,000
Fraudulent Instruction	\$ 1,000	\$ 50,000
Forgery & Alteration	\$ 1,000	\$ 50,000
Equipment Breakdown Coverage	Deductible	Limits
Equipment Breakdown Limit	\$ 5,000	\$ 100,000,000
Property Damage		\$ Included
Off Premises Property Damage		\$ 25,000
Business Income/Extra Expense/Service Interruption		\$ 1,000,000
Contingent Business Income		\$ 25,000
Perishable Goods		\$ 100,000
Demolition		\$ 100,000
Ordinance or Law		\$ 100,000
Expediting Expenses		\$ 100,000
Hazardous Substances		\$ 100,000
Newly Acquired Locations		\$ 1,000,000
Green		\$ 25,000

General Liability	Deductible	Limits
General Aggregate Limit	\$ 1,000	\$ 1,000,000
Each Occurrence Limit	\$ 1,000	\$ 1,000,000
Damage To Premises Rented To You Limit	\$ 1,000	\$ 500,000 any one premise
Law Enforcement Liability Limit	\$ 5,000	\$ 1,000,000 any one person
Personal and Advertising Injury Limit	\$ 1,000	\$ 1,000,000 person or organization
Products/Completed Operations Aggregate Limit	\$ 1,000	\$ 1,000,000

Employee Benefits Liability	Deductible	Limits
Claims-Made & Reported Form	Retroactive Date: <u>September 1, 2005</u>	
Each Employee Aggregate (Included in General Liability General Aggregate)	\$ 1,000	\$ 1,000,000

Educator's Legal Liability	Deductible	Limits
Claims-Made & Reported Form	Retroactive Date: <u>September 1, 2003</u>	
Coverage A: Professional Educational Services	\$ 50,000	
Each Professional Incident		\$ 3,000,000
Professional Incident Aggregate		\$ 3,000,000
Coverage B: Employment-Practices Liability	\$ 50,000	
Each Employment Incident		Combined with Coverage A
Employment Incident Aggregate		Combined with Coverage A
Coverage C: Non-Pecuniary Defense	\$ 50,000	
Defense Reimbursement		\$ 100,000
Defense Reimbursement Aggregate		\$ 300,000

Contributions for General Liability, Employee Benefits Liability, and Educator's Legal Liability are based on the following exposures		
# Students	# Employees	
2,251	356	

Automobile		Deductible	Limits
Liability	# Vehicles		
Combined Single Limit	56 Power Units	\$ 1,000	\$ 1,000,000
Non-owned & Hired Liability	0 Trailers		BI/PD Limit
Uninsured/Underinsured Motorist			
Bodily Injury - per person			\$ 25,000
Bodily Injury - per accident		\$ 1,000	\$ 50,000
Property Damage - per accident			\$ 25,000
Medical Payments			Per Person \$ 5,000
		\$ 1,000	Per Accident \$ 50,000
Physical Damage		Deductible	
Comprehensive & Collision Coverage	# Vehicles	\$ 1,000	See Schedule
Actual Cash Value	56		
Newly Acquired Vehicles		\$1,000/\$1,000	Comp/Coll Actual Cash Value
Hired Car Physical Damage		\$1,000/\$1,000	Comp/Coll \$ 100,000
Total Contribution \$			518,099

This quote includes package discounts. Therefore, all proposed coverages must be accepted as a package and not by line of coverage. If you wish to discuss individual coverages, please contact your PCAT Representative for a revised proposal.

Proposal Conditions and Items Needed to Bind Coverage

1. All coverage is subject to the acceptance of the attached Interlocal Addendum and Interlocal Agreement.
 2. This proposal represents the first year of a two (2) year term. The contributions shown are annual and will be adjusted with current exposures each year. Please contact your PCAT Representative for alternative quotes.
 3. Coverage, limits, deductibles, terms and/or conditions may not comply with any RFP published by the District.
 4. Flood coverage provided does not extend to buildings and contents with separate coverage through the NFIP.
 5. Automobile Liability coverage does not extend to 15 Passenger Vans "while transporting students".
 6. This Contribution & Coverage Summary is a summary only. Please consult the PCAT Coverage Documents for a complete explanation of the applicable coverages, conditions and exclusions.
 7. All terms and conditions contained in the PCAT Interlocal Agreement and Addendums to the Interlocal Agreement apply to this proposal.
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Vehicle Coverage

Automobile Liability and/or Physical Damage coverage is provided for all vehicles as shown on the attached schedule.

If changes to your schedule need to be made, advise your PCAT Representative before the beginning of the Participation Period. Adjustments to the schedule will be made and an Amended Auto CCS will be issued.

Any vehicle owned prior to the participation period but not on the schedule may not be covered.

Newly Acquired Vehicles

Vehicles obtained after the beginning of the participation period are automatically covered.

Coverage will follow those shown above as respects limits and deductibles applicable.

This coverage form will not be audited.

Please do not send endorsement requests to your PCAT Representative or PCAT.
