



UNITED INDEPENDENT SCHOOL DISTRICT AGENDA ACTION ITEM

TOPIC Award of District Workers' Compensation Insurance Program

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

APPROVED FOR TRANSMITTAL TO SCHOOL BOARD: _____

DATE ASSIGNED FOR BOARD CONSIDERATION: May 19, 2010

RECOMMENDATION:

Staff has finalized negotiations for Workers' Compensation Insurance and recommends awarding the contract to Texas Mutual Insurance (TMIC). This proposal is for 5 – 1 (one) year contracts with the first year at the rates listed on the attached and subsequent years to be negotiated and dependent on loss run experience.

RATIONALE:

TMIC is proposing a rate of -20.22 % below the 2010-2011 rates. The reduction in rates is due in part to good loss ratios the past few years, renegotiation utilizing a national governmental purchasing cooperative (TCPN- The National Cooperative Purchasing Network), and plan changes that include the use of now permitted medical care networks.

BUDGETARY INFORMATION

Premiums included in the 2010-11 budget.

BOARD POLICY REFERENCE AND COMPLIANCE:



In - Network
Exposure/Rate Comparison
September 1, 2010 - September 1, 2011

	Expiring Payroll	Renewal Payroll	% Change
8810 - Clerical	32,850,665	35,205,155	7.17%
8868 - School- Prof.	171,200,266	189,037,859	10.42%
9101 - School- All other	31,068,130	35,098,688	12.97%
Total Payroll	235,119,061	259,341,702	
Experience Mod	1.13	0.96	-15.04%
	Expiring Out-of-Network Rates	Renewal Out-of-Network Rates	% Change
8810 - Clerical	0.1753	0.12	-31.55%
8868 - School- Prof.	0.4566	0.360	-21.16%
9101 - School- All other	3.5275	2.550	-27.71%
Premium	2,028,584	1,618,504	-20.22%

2010-11 UISD
Workers' Compensation Proposal

*Rate Comparison				
(per \$100 of Payroll)				
Class Code	2008-09	2009-10	2010-2011	Percent Change +/-
8810	\$0.1712	\$0.1753	\$0.1200	-31.53%
9101	\$3.4452	\$3.5275	\$2.5500	-27.71%
8868	\$0.4459	\$0.4566	\$0.3600	-21.15%

Covered Payroll

8810	\$29,608,483	\$32,850,665	\$35,205,155	7.17%
9101	\$34,341,696	\$31,068,130	\$35,098,688	12.97%
8868	\$157,282,107	\$171,200,266	\$189,037,859	10.42%
Total	\$221,232,286	\$235,119,061	\$259,341,702	10.30%
Premium	\$1,935,163	\$2,028,584	\$1,618,504	-20.22%

Projected Savings

\$410,080