

Workers Compensation Administrative Services Program and Excess Coverage
May 27, 2014

SUMMARY:

This item requests renewal of the Workers Compensation Administrative Services Program and Excess Workers' Compensation Coverage.

PREVIOUS BOARD ACTION:

The Board approved the recommendation of the Texas Association of School Boards for Administrative Services Only for the Workers Compensation Fund on December 12, 2006. This inter-local agreement is renewed annually.

BACKGROUND INFORMATION:

On May 28, 2013 the District opted to continue with TASB Risk Fund for Workers' Compensation – Administrative Services Only Program and Safety National Casualty Corporation for Excess Workers' Compensation Coverage. The Excess Workers' Compensation coverage had a \$500,000 specific self-insured retention/\$1,000,000 aggregate retention and \$1,000,000 aggregate excess limit with a premium of \$ 68,830. The Administrative Services Only Program included Annual Actuarial Review Services and Loss Prevention Services for a premium of \$ 9,600.

SIGNIFICANT ISSUES:

For the 2014-2015 Administrative Services Only Program, the Fund has decided to reduce the General Administrative Services Fee to \$ 3,000 annually and offer optional Annual Actuarial Review Services for \$ 4,500 a year and an optional Loss Prevention Services Package for \$ 4,500 a year.

FISCAL IMPLICATIONS:

For 2014-2015, the Fund has proposed Excess Workers' Compensation Coverage with a premium of \$ 76,760. This includes a specific self-insured retention of \$500,000/\$1,000,000 aggregate retention and an aggregate excess limit of \$1,000,000. The annual premium for the Administrative Services Only Program with options for the Annual Actuarial Review and Loss Prevention Services will be \$12,000 with Claims Administration Fees remaining the same as 2013-2014. Those fees will be as follows:

	Rate
Indemnity Claim	\$ 650 per claim
Medical Claim	\$ 110 per claim
Record Claim only	\$ 20 per claim

The law allows us to stop benefits for actual holiday breaks. Only those employees who were normally scheduled to work during these times will receive benefits.

PROCEDURAL AND REPORTING IMPLICATIONS:

Sign and return TASB's Contribution and Coverage Summary.

SUPERINTENDENT'S RECOMMENDATION:

Recommend that the District continue Safety National Casualty Corporation Excess Workers' Compensation Coverage with a specific self-insured retention of \$500,000/\$1,000,000 aggregate retention and an aggregate excess limit of \$1,000,000 with a premium of \$ 76,760. Additionally, it is recommended that the District continue with TASB Risk Fund for Workers' Compensation – Administrative Services Only with optional services for Annual Actuarial Review and Loss Prevention Services. The annual premium for these services will total \$ 12,000. The combined total annual premium is \$ 88,760.

STAFF PERSONS RESPONSIBLE:

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

ATTACHMENT:

TASB –Contribution and Coverage Summary
Safety National Casualty Corporation – Excess Workers' Compensation
Denton ISD Aggregate Excess Comparison

APPROVAL:

Signature of Staff Member Proposing Recommendation: _____

Comments: _____

Signature of Divisional Leader: _____

Comments: _____

Signature of Superintendent: _____

Comments: _____