

**Denton ISD**  
**Workers' Compensation Coverage with an Aggregate Deductible**  
May 16, 2023

**SUMMARY:**

This item requests approval of Workers' Compensation Coverage with an Aggregate Deductible 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 with an Aggregate Deductible.

**BACKGROUND INFORMATION:**

- Having an Aggregate Deductible for 2022-2023 allowed the district to budget for our maximum exposure of \$863,253.
- 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.

**SIGNIFICANT ISSUES:**

- The Aggregate Deductible option allows for a contribution of \$ 252,833 (which is based on estimated payroll and will be audited at the end of the fiscal year) with a maximum claim liability (Aggregate Deductible) of \$ 739,781 for a maximum total exposure of \$ 992,614.
- Continuing to have an Aggregate Deductible for 2023-2024 will allow us to budget for our maximum exposure.
- Denton ISD will reimburse the TASB Fund for amounts paid for workers' compensation claims up to the Claims Liability (Aggregate Deductible). The TASB Fund will pay claims more than the Claims Liability amount.
- TASB will continue to act as the Workers' Compensation claim administrator and Actuarial and Loss Prevention services are still provided.

**FISCAL IMPLICATIONS:**

**Workers' Compensation Coverage:**

**ANNUAL PREMIUM:**

Category	2022-2023	2023-2024	Difference (Increase)
Workers' Compensation Contribution	\$ 219,034	\$ 252,833	\$ 33,799
Workers' Compensation Aggregate Deductible	\$ 644,219	\$ 739,781	\$ 95,562
<b>Maximum Exposure</b>	<b>\$ 863,253</b>	<b>\$ 992,614</b>	<b>\$ 129,361</b>

The total contribution for Workers' Compensation coverage for 2023-2024 is \$252,833 which is an increase of \$33,799 over the 2022-2023 fiscal year. If claims for 2023-2024 reach the Aggregate Deductible of \$739,781, our total exposure will be \$992,614.

**BENEFIT OF ACTION:**

Approval of these coverages will provide security for Denton ISD employees.

**PROCEDURAL AND REPORTING IMPLICATIONS:**

The district is required to complete, sign, and return the Workers' Compensation Contribution and Coverage Summary prior to June 30, 2023, to avoid a lapse in coverage.

**SUPERINTENDENT’S RECOMMENDATION:**

Recommends the Board approve the TASB Risk Management Fund proposal for Workers’ Compensation Coverage with an Aggregate Deductible for Denton ISD with a maximum exposure of \$992,614 effective July 1, 2023.

**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 2023 WC Contribution & Coverage Summary (CCS)

**APPROVAL:**

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

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

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