



**Stephenville
Independent
School District**

Proposal for

**Auto, Liability,
Property, and
Workers'
Compensation
Coverage**





December 10, 2019

Debbie Hummel
Stephenville ISD
2655 W. Overhill Drive
Stephenville, TX 76401

RE: Auto, Liability, Property, and Workers' Compensation Proposal

Dear Ms. Hummel:

The TASB Risk Management Fund (Fund) is pleased to offer you the enclosed Auto, Liability, Property, and Workers' Compensation proposal. The Auto, Liability, and Property response is issued in lieu of your renewal proposal. Coverage under this Contribution and Coverage Summary (CCS) is contingent upon concurrent participation in the Fund's Auto, Liability, Property, and Workers' Compensation programs.

Our response provides a new comprehensive coverage program combining, auto, liability, property, and workers' compensation coverage in one package. As in the past, crime, equipment breakdown, and data privacy coverage are included at no additional cost. The Fund is moving to a packaged coverage approach for members because it provides several important benefits, including:

- It allows the Fund to provide the broadest possible coverage at the best possible cost,
- Reduces gaps in coverage that occur when purchasing coverage from multiple carriers,
- Streamlines the claims process making it faster and easier for all parties involved, and
- Allows for review and renewal of all coverage programs at one time during the year.

The Auto, Liability, Property, and Workers' Compensation programs includes loss prevention services, training opportunities, and school emergency management services. Fund membership also includes program-specific benefits, such as Privacy & Information Security coverage for Liability and Program members and hail notifications for Property members.

The Workers' Compensation program boasts in-house medical expertise and partners with a network to control medical costs and reduce claim costs. The Fund has been named a High-Tier performer for workers' compensation since the Texas Department of Insurance (TDI) implemented the first Performance Based Oversight assessment of high-volume carriers and health care providers in 2007 – one of only two providers in the state receiving this distinction since the assessment was first implemented.

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Fund members can access their Auto, Liability, Property Coverage Agreements on the Fund Website (tasbrmf.org). Your enclosed CCS includes more detailed information for each program. Once you have reviewed your agreement(s), please initial and sign the CCS, and return all pages of the original documents to tasbrmf@tasb.org or to P.O. Box 301, Austin, Texas, 78767-0301.

The Fund looks forward to providing your coverage and anticipates many years of successful partnership. If you have any questions regarding this proposal or need additional information, please contact me at 800.482.7276 or scot.parnell@tasb.org.

Sincerely,

A handwritten signature in black ink, appearing to read "Scot Parnell". The signature is written in a cursive style with a long, sweeping underline.

Scot Parnell
Sr. Risk Management Consultant
Risk Management Services
Texas Association of School Boards, Inc.



Auto, Liability, Property,
Workers' Compensation
Proposal

Stephenville Independent School District



Submitted by:
TASB Risk Management Fund
P.O. Box 301
Austin, Texas 78767-0301
tasbrmf.org

Scot Parnell, CSR
Sr. Risk Management Consultant
scot.parnell@tasb.org
800.482.7276 or 512.505.2815
Cell: 817.304.3667



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CONFLICT OF INTEREST QUESTIONNAIRE

For vendor doing business with local governmental entity

FORM CIQ

This questionnaire reflects changes made to the law by H.B. 23, 84th Leg., Regular Session.

This questionnaire is being filed in accordance with Chapter 176, Local Government Code, by a vendor who has a business relationship as defined by Section 176.001(1-a) with a local governmental entity and the vendor meets requirements under Section 176.006(a).

By law this questionnaire must be filed with the records administrator of the local governmental entity not later than the 7th business day after the date the vendor becomes aware of facts that require the statement to be filed. See Section 176.006(a-1), Local Government Code.

A vendor commits an offense if the vendor knowingly violates Section 176.006, Local Government Code. An offense under this section is a misdemeanor.

OFFICE USE ONLY

Date Received

1 Name of vendor who has a business relationship with local governmental entity.

2 **Check this box if you are filing an update to a previously filed questionnaire.** (The law requires that you file an updated completed questionnaire with the appropriate filing authority not later than the 7th business day after the date on which you became aware that the originally filed questionnaire was incomplete or inaccurate.)

3 Name of local government officer about whom the information is being disclosed.

Name of Officer

4 Describe each employment or other business relationship with the local government officer, or a family member of the officer, as described by Section 176.003(a)(2)(A). Also describe any family relationship with the local government officer. Complete subparts A and B for each employment or business relationship described. Attach additional pages to this Form CIQ as necessary.

A. Is the local government officer or a family member of the officer receiving or likely to receive taxable income, other than investment income, from the vendor?

Yes No

B. Is the vendor receiving or likely to receive taxable income, other than investment income, from or at the direction of the local government officer or a family member of the officer AND the taxable income is not received from the local governmental entity?

Yes No

5 Describe each employment or business relationship that the vendor named in Section 1 maintains with a corporation or other business entity with respect to which the local government officer serves as an officer or director, or holds an ownership interest of one percent or more.

6 Check this box if the vendor has given the local government officer or a family member of the officer one or more gifts as described in Section 176.003(a)(2)(B), excluding gifts described in Section 176.003(a-1).

7

Signature of vendor doing business with the governmental entity _____
Date



Memorandum

To: Administrator

From: Texas Association of School Boards Risk Management Fund

Re: Application of Disclosure Requirements

Chapter 176 of the Texas Local Government Code

The Texas Association of School Boards Risk Management Fund (Fund) is aware of the CIQ form and the disclosure requirements under Chapter 176 of the Texas Local Government Code. However, the Fund is not a vendor under that law. It is a collective of local governmental entities that have jointly agreed to perform a governmental function or service. These types of entities are not covered by the vendor disclosure requirements under Chapter 176. (See § 176.002, Texas Loc. Gov. Code)

Chapter 2252 of the Texas Government Code

The Fund is also aware of the disclosure of interested party requirements under Chapter 2252 of the Texas Government Code. Similarly, the Fund is not a business entity under that law. As a collective of local governmental entities that have jointly agreed to perform a governmental function or service, the Fund is a governmental entity not subject to the disclosure of interested party requirements under Chapter 2252. (See 1 TAC 46.3(b))

We trust that this memorandum satisfies your query. If you have any questions, feel free to call Paul Taylor at 512.467.3663.



James B. Crow
Secretary

Effective Date: January 1, 2016

Stephenville Independent School District



About the Fund

The Fund is a nonprofit self-insured risk pool guided by a mission to provide comprehensive and responsive risk solutions that support educational excellence in Texas public school districts and other public educational entities.

The Interlocal Participation Agreement (IPA) allows political subdivisions to pool risks ordinarily assumed on an individual basis.

The Fund is not an insurance company or agency and is not required to be licensed, nor is it regulated by the Texas Department of Insurance. The TASB Risk Management Fund is not subject to Best's rating.

TASB Partnership

The Fund contracts with the Texas Association of School Boards (TASB) to administer and manage its programs. TASB experts in human resources, business services, and school board operations are always close by, making it easier to help members on a broader scale.

Fund History

In 1974, several Texas school districts recognized risk-pooling as a way to satisfy the new legal requirement to provide workers' compensation coverage to employees. TASB worked with several of its members to create the TASB Workers' Compensation Self-Insurance Fund (WCSIF) to meet school districts' needs for affordable and professional workers' compensation services. The successful WCSIF launch led to additional risk management programs, which merged in 1997 to form the Fund.

A 19-member Board of Trustees is responsible for governance and operations and ensures that the Fund remains true to its mission. Trustees are uniquely positioned to understand the needs of Texas public school districts and educational entities. They represent member organizations and include school board members, superintendents, or other school officials.

The Fund has remained a stable and financially strong partner to members for decades. We are committed to maintaining this position and continuously meeting the ever-changing needs of those we serve.

Stephenville Independent School District



Programs

Whether looking to the Fund for one coverage program or all five, Fund Members receive service from experts in risk management for school districts and other education entities. Fund members can count on comprehensive risk management strategies, including loss prevention services that are unmatched in the industry, in-house claims administration, medical cost management, underwriting, and a large array of training and education opportunities.

The Fund offers the following programs for membership:

- Auto Liability and Physical Damage coverage developed specifically for school districts and other educational entities
- Comprehensive Property coverage developed specifically for school districts and other educational entities
- School Liability with Professional Legal Liability and General Liability coverage guided by a customized coverage agreement that recognizes the unique exposures and immunities of districts and other public entities
- Privacy and Information Security coverage included in Property and Liability programs at no additional cost
- Unemployment Compensation services that include assistance with hearings before the Texas Workforce Commission (TWC)
- Workers' Compensation coverage with options for fully funded and aggregate deductible plans as well as Administrative Services Only (ASO) plans

Members can choose from various pricing and risk retention or deductible options, depending on their needs.

Comprehensive Risk Management Solutions



Auto



Property



School Liability



**Privacy and
Information Security**



**Unemployment
Compensation**



**Workers'
Compensation**



TASB Partnership



Loss Prevention Services



Training and Education

Stephenville Independent School District



Service Philosophy

While it may look like an insurance company, the Fund is not insurance. We're really in the education business, and we believe schools should be healthy, safe, and secure learning and working environments. The heart of the Fund's mission is to support educational excellence in Texas public education.

To that end, the Fund provides members with consultations, training, and resources to prevent and mitigate losses, and top-tier integrated claims and medical management when claims occur. We think that's the value of membership, and we hope you agree.

Member Survey

The Fund surveys members for feedback to ensure services continue to meet members' needs. In 2017, the Fund launched its most comprehensive survey to date.

What Fund members say

99% of members agree the Fund provides comprehensive risk solutions for their organization



97-99%

of Fund members renew their coverages on an annual basis

Top reasons for staying with the Fund include

- Customer Service
- Claims Handling
- Price
- Relationships





Member Benefits

Annual Members' Conference

The Fund hosts the premiere risk management training event, the annual Members' Conference, in Austin each spring. Education professionals from across the state attend to learn from experts about risk management hot topics that impact their organizations. The conference is provided at no additional cost to Fund members.

Fund Excellence Awards

We are proud of our members for strengthening and improving their organizations and communities. For more than a decade, we've recognized their ideas with the Innovation Awards. The program has been updated to better showcase the variety of excellence in risk management solutions our members implement with the TASB Risk Management Fund Excellence Awards.



Webinars

Fund webinars bring high-quality training directly to members' desktops. In both live and recorded sessions, attendees can learn about their legal rights and obligations, cost savings, and how to do business in an efficient and safe manner. This ongoing series is provided at no additional cost to members.

Online Services

The Fund Website (tasbrmf.org) features a member service center, library of resources, training database, and an array of information.

myTASB is a secured site just for members that provides manuals, training documents, sample forms and notices, a training video library, and online reports.

A user ID and password are required to access these secure resources. The member's designated program contact can create *myTASB* user accounts and grant access to other employees.

Claims Reporting

Members can report a claim online, with the ability to, review and edit information before submission. In addition, members can email police reports, pictures, and other investigative documents with ease.

Online Reports

Members can monitor various reports, which are updated daily, using *myTASB*. Fund members can log in at any time and delegate access to other staff members. The reports have been updated with a new look and added functionality for members in Workers' Compensation, Auto, Liability, Property, and Unemployment Compensation.

Member Blog

The Fund's member newsletter, *News and Views*, is now the *InsideRM* blog (tasbrmf.org/insiderm). The blog keeps members informed of the latest educational opportunities and risk management hot topics. This is provided to members at no additional cost.

Stephenville Independent School District



Program Information

School districts and other educational entities can face unique challenges and complexities when dealing with auto, liability, and property claims. That's why members trust the Fund's expertise and leadership in the industry.

Refer to the Contractual Documents for full and complete coverage and contractual obligations.

Property

The Fund provides replacement cost coverage at 100% of values for Direct Physical Loss to Covered Property, unless the loss is excluded or the coverage is limited in the Property Coverage Agreement or the CCS. The loss must exceed the deductible amount shown on the CCS or this Coverage Agreement. Covered Property means the member's interest in buildings, personal property, and other structures as outlined in the Property Coverage Agreement. All personal property owned by the member is covered while in transit or off-premises with no applicable sublimit.

Blanket Coverage

Property coverage is provided to members on a blanket basis, which means there is no scheduled limit or cost on a per-building basis. The Fund has no coinsurance requirement, thus protecting the member from the possibility of a coinsurance penalty in the event of a loss. Members' appraised values are updated annually, therefore an Agreed Amount Endorsement is not necessary.

There is a \$1,000,000 sublimit for a Wind, Hurricane, and Hail Loss to single ply membrane roofs and accompanying roof systems; all other deductibles apply. A Single Ply Membranes is synthetic roofing material that includes but is not limited to EPDM, TPO, and PVC membranes.

Automatic Coverage

Trees, shrubs, and plants

Newly acquired property

New construction or Renovation of buildings and other structures by the Fund Member

Extra Expense and Loss in Revenue

Increased Cost Due to Code Enforcement or

Compliance

Debris Removal

Valuable Paper and Records

Electronic Records and Data

Food Spoilage

Pollutant Cleanup

Backup of sewers and drains

Damage to mobile equipment that is not registered for use on a public road

See the CCS for full details.

Coverage Agreement Information

The Coverage Agreement is written in manuscript form and is designed to meet the coverage needs of Texas school districts and other educational entities. Additional specific endorsements may not be necessary. In many cases, the Fund is also able to fulfill member requests to provide additional insured coverage, loss payables and certificates of coverage for entities contracting with a Fund Member.

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Equipment Breakdown

All members of the Fund's Property program have Equipment Breakdown coverage with limits equal to their Property limits or \$100,000,000, whichever is less. This coverage protects air conditioning and refrigeration units, as well as boilers, pressure vessels and electronic circuitry. Boiler inspections required by law will be provided. The deductible is the same as the Property All Other Perils (AOP) deductible.

The deductible is the same as the Property All Other Perils (AOP) deductible. Please refer to the Equipment Breakdown Coverage Summary, located on the first page of the Equipment Breakdown section of the enclosed Coverage Agreement, for all sublimits that apply.

Coverage is included for repair or replacement of equipment using CFC refrigerants with retrofitted or replacement equipment that is CFC-free. Additional coverage is provided for artificially generated electrical currents, including electrical arcing that damages electrical devices, appliance, or wires.

Maintenance

Fund Members are expected to regularly inspect and maintain all Covered Property. Coverage may be denied if the failure to do so results in a greater Loss than would have otherwise occurred with proper maintenance. The Fund may request a copy of the Fund Member's logs to verify compliance.

Equipment Breakdown coverage:

Property Damage	Included
Business Income	Included
Extra Expense	Included
Contingent Business Income	\$250,000
Data Restoration	\$250,000
Demolition	\$1,000,000
Excavation Costs	\$25,000
Expediting Expenses	\$250,000
Hazardous Substances	\$250,000
Newly Acquired Locations	Included
Off Premises Equipment Breakdown	\$500,000
Ordinance or Law	\$1,000,000
Perishable Goods	\$250,000
Public Relations	\$5,000
Service Interruption	Included



Included Endorsements

Flood

The Fund will pay the amount of a Loss to Covered Property that exceeds the deductible amount for Flood damage up to \$2,000,000 per Occurrence/annual aggregate or the limit specified in the Contribution and Coverage Summary (CCS). For this endorsement coverage to apply, the Covered Property must be in either Low-risk flood zones (Zone C or X-unshaded) or Moderate-risk flood zones (Zones B or X-shaded) as designated by the National Flood Insurance Program (NFIP) Flood Insurance Rate Map (FIRM).

- For Loss in Zones C and X-unshaded, the Fund will pay in excess of NFIP or any other flood coverage acquired by the Fund Member for these zones;
- For Loss in Zones B and X-shaded, the Fund will pay in excess of the maximum policy limits available for buildings or contents from NFIP or any other flood coverage applicable to these zones, whether the Fund Member acquires such coverage or not.

The deductible shown on the CCS applies as follows:

- For Loss in Zones C or X-unshaded, the deductible only applies if other flood coverage has not been acquired; for Loss in Zones B or X-shaded, the deductible is waived, whether the member acquires such underlying flood coverage or not.
- Fund Member Covered Property is excluded from coverage under this endorsement if it is located in certain Special Flood Hazard Areas (SFHA) identified on the Flood Insurance Rate Map (FIRM).

Earthquake

The Fund will pay up to \$2,000,000 per occurrence/annual aggregate or the limit specified in the CCS for the amount of a Loss that exceeds the deductible amount for damage directly caused by earthquake.

Crime and Employee Dishonesty

The Fund will pay up to \$100,000 or the limit specified in the CCS for any loss of money or securities that the member incurs as a result of fraudulent or dishonest acts or omission by a member's employee or by the actual destruction or disappearance of money or securities. This coverage only applies to money and securities owned by the Fund member or money belonging to a member-affiliated entity and in the possession of the member at the time of loss. Claims made under this Endorsement apply to Occurrences discovered and reported during the Participation Period. Any claim reported that includes a series of related fraudulent or dishonest acts by an employee shall be treated as one fraudulent or dishonest act and considered as a single Occurrence.

Terrorism

This Endorsement modifies coverage under the Property Coverage Agreement. Coverage is amended, as set forth in this Endorsement only, to amend the language related to terrorism as included in Part C "Limited Coverage, Excluded Coverage, and Excluded Loss" of the Property Coverage Agreement.

The Fund will pay for the amount of the Direct Physical Loss that exceeds the deductible amount and within the limits of coverage shown in the CCS or in the Property Coverage Agreement for damage to Buildings, Personal Property, and Other Structures covered by the Property Coverage Agreement resulting from an Act of Terrorism. In no event will the Fund pay more than the actual cost incurred by the Fund member to repair or replace the damaged Covered Property with materials of like kind and

Stephenville Independent School District



quality, or the limits outlined in the Property Coverage Agreement and applicable CCS.

More details are available in the CCS and coverage document.

Property Appraisal Services

Accurate and current insurable values are an extremely important component of the Property program. Inflated insurable values can result in excessive contributions, while having inadequate coverage can be disastrous if a loss occurs. Accurate building values facilitate appropriate allocation of contributions and can serve as a basis if proof-of-loss is required.

- The Fund partners with Duff & Phelps for its property and contents valuation services and products. Duff & Phelps is a leader in the valuation field and offers industry expertise, extensive experience serving large public entities, and advanced online technology.

Property coverage benefits include a comprehensive property appraisal for all first year participants. Building values are then updated annually with physical inspections conducted every four years. This invaluable service is made available at no cost to members in the Property program. A full-scope appraisal provides the most accurate data and involves an on-site inspection of each building.

DUFF & PHELPS

Statement Of Insurable Values														DUFF & PHELPS	
TASB Risk Management Fund															
Bldg ID	Building Name, Construction Type And Address	Date of Inspection	Scope of Service*	Year Built	Entry Alarm	Manual Fire Alarm	Auto Fire Alarm	Sprinkler	Avg. Story Height	Firs	Total Sq. Ft.	Building CRN	Contents CRN	Land Improv. CRN	
Member: 100000 SAMPLE INDEPENDENT SCHOOL DISTRICT															
Site: 001 MAIN CAMPUS															
1A	OLD MAIN HIGH SCHOOL BUILDING 4 - MASONRY NON-COMBUSTIBLE (100 %), Street address City, State, Zip Latitude: N 31-53-00.7 Longitude: W 097-04-36.2	1/7/2013	T	1966	Y	N	N	N	11	1	15,004	1 843,683	202 152	0	
1B	MAIN CLASSROOM BUILDING 3 - NON-COMBUSTIBLE (70 %), 4 - MASONRY NON-COMBUSTIBLE (30 %), Street address City, State, Zip Latitude: N 31-53-00.3 Longitude: W 097-04-35.4	1/7/2013	T	1951	Y	Y	Y	N	13	1	32,690	4 093,168	633,136	0	
1C	MAINTENANCE BUILDING 1 - FRAME (100 %), Street address City, State, Zip Latitude: N 31-53-03.5 Longitude: W 097-04-34.8	1/7/2013	T	1947	N	N	N	N	12	1	2,660	209,824	25,654	0	
1D	GYMNASIUM BUILDING 3 - NON-COMBUSTIBLE (100 %), Street address City, State, Zip Latitude: N 31-52-59.7 Longitude: W 097-04-37.7	1/7/2013	T	1996	Y	Y	Y	N	20	1	21,375	2 663,808	123,138	0	
1E	CAFETERIA BUILDING 3 - NON-COMBUSTIBLE (100 %), Street address City, State, Zip Latitude: N 31-52-58.0 Longitude: W 097-04-36.8	1/7/2013	T	1954	Y	Y	Y	N	14	1	5,252	667,815	106,720	0	

Stephenville Independent School District



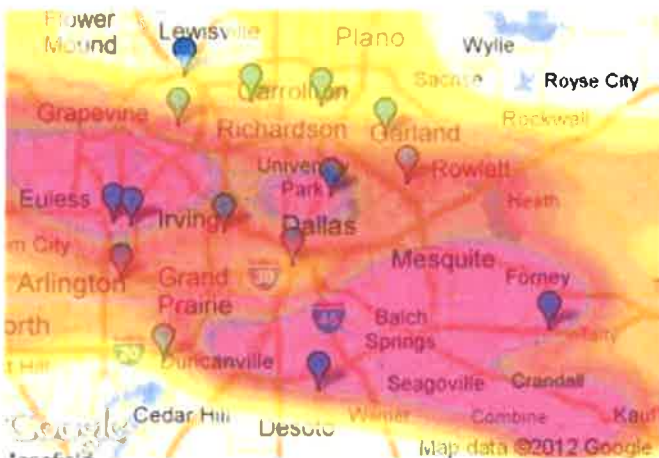
HailAlert Technologies

The Fund partners with HailAlert Technologies to provide faster, more effective service to members when a hail event has occurred. HailFlash uses geo-coded weather radar data and a proprietary hail-detecting algorithm to pinpoint exactly when and where hail has been detected.

HailFlash tracks hail activity at every location covered by the Fund's Property program and reports within 24 hours on any hail activity at that location. HailFlash will report the exact date, location, and size of hail detected. TASB Risk Management Services contacts members who have experienced a hail event to determine if any damage has occurred.

Early detection and inspection reduces the risk of damage going undetected until it deteriorates, and repair costs increase significantly. Because hail storms cannot be predicted or prevented, the Fund is focusing on early reporting and response as a way to reduce members' costs from hail damage.

Sample hail map with pinpoint locations.
Courtesy of HailAlert Technologies



Stephenville Independent School District



School Liability

The Fund's School Liability program combines General Liability and Professional Legal Liability coverages.

All liability coverage is subject to the terms and conditions as stated in the CCS and Coverage Agreements. Refer to the CCS for General Liability, Employee Benefits Liability, and Professional Legal Liability limits.

A Covered Person means any past, present, or future: Fund Member; trustee, school board member, student teacher, or volunteer while such Covered Persons are acting within the course and scope of their duties; employee of the Fund Member, including students, while such Covered Persons are acting within the course and scope of the duties of their employment.

Under General Liability coverage only, K-12 school district students who are participating in an approved external career or technology program are now considered Covered Persons. Members may need to purchase additional standalone coverage to meet career or technology program requirements. Also, any student operating Fund Member-owned self-propelled motor-driven equipment at the direction of a Fund Member employee acting within the course and scope of the employee's employment is a Covered Person.

The Fund reserves the right to select counsel from its panel of school attorneys. Input from the member is taken into consideration when making this selection.

General Liability

The Fund's General Liability coverage includes Bodily Injury, Property Damage, Personal Injury Liability (coverage for libel, slander, humiliation, mental anguish, etc.) and Employee Benefits Liability (coverage for liabilities arising from the

Coverage is provided with a per occurrence limit and no applicable annual aggregate.

administration of the Fund Member's employee benefits plan or program).

Liability arising from the use of mobile equipment that is not licensed for use on a public road is covered under General Liability.

It should be noted that when warranted by law, claims relating to bodily injury or property damage will be responded to by assertion of immunity in accordance with the Texas Tort Claims Act.

The Employee Benefits Liability coverage limit is \$100,000 per occurrence for those sums a Covered Person becomes legally obligated to pay as Damages arising out of any negligent act or omission committed in the Administration of the Fund Member's Employee Benefits Program during the Participation Period.

Professional Legal Liability

The Fund's Professional Legal Liability program provides claims-made coverage for Wrongful Acts provided the Claim is made and reported to the Fund during the Participation Period.

Wrongful Acts

A Wrongful Act means any actual or alleged act or omission by a Covered Person in the performance of duties for the Fund Member, that results in a claim being made. Claim means any demand for monetary or non-pecuniary relief that results in litigation or in which litigation is reasonably anticipated.

Examples of Wrongful Acts include the following issues:

- Violation of constitutional and civil rights

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- Bodily injury arising out of student discipline or punishment administered by a Covered Person
- Sexual harassment, abuse and molestation
- Employment discrimination
- Special education

A Wrongful Act includes coverage for Prior Acts with no applicable retroactive date. All coverage is subject to the terms, conditions, and exclusions of the Coverage Agreement

Law Enforcement Liability

A separate Law Enforcement Liability quote has not been provided. The Fund's coverage does not exclude law enforcement officers from coverage if they meet the definition of a "Covered Person." If the officers are employees of the member and are not on a contracted basis, they would be considered a Covered Person and coverage would apply to them. Should the officers be contracted from another company, coverage will apply to the member if named in a suit, subject to the terms, conditions, and exclusions of the Coverage Agreement.

Extended Reporting Period

The Fund may offer an Extended Reporting Period under our Professional Legal Liability. The contribution is determined at the time of cancellation or non-renewal. Extended Reporting Period coverage is subject to the terms, conditions, and exclusions of this Coverage Agreement.

General School Liability

Exclusions:

(coverages not available with the Fund)

- Coverage for property damage to products or work is excluded.

- Coverage is not provided for fire legal liability due to the immunity granted under the Texas Tort Claims Act from property damage liability.
- Coverage for medical payments is not covered, as the Texas Attorney General Opinion H-602 (copy enclosed) has identified medical payments coverage as an unconstitutional gift of public funds. The Fund does have a duty to defend in the event the member is sued.
- Coverage for contractual liability and breach of contract is not covered under General Liability or Professional Legal Liability. This exclusion does not apply to the liability that a Covered Person would have in the absence of a contract or agreement, nor does it apply to a misappropriation of advertising ideas under an implied but not written contract. This exclusion doesn't apply to claims expenses incurred by a member in defending a claim by an employee against the member for breach of that employee's employment contract. However, this exclusion does apply to any Damages which may be awarded for such a claims.
- Exemplary (punitive) damages are excluded.
- Student Accident and Athletic Participation coverage is not included. The Fund member may be provided with legal defense in connection with a lawsuit subject to the terms, conditions, and exclusions of the Coverage Agreement.



Professional Legal Liability Exclusions:

(coverages not available with the Fund)

- Damages, expenses, or demands arising from Texas Education Agency hearings or other administrative hearings. Coverage may be provided when and if a hearing results in a lawsuit. If that occurs, defense coverage will be provided depending on the specific allegations of the suit.
- Coverage does not apply to any claims or occurrences once it is clearly established that the Covered Person intentionally engaged in or committed unlawful, dishonest, fraudulent, criminal, or malicious acts; or intentional acts, errors or omissions; or acts involving deliberate indifference; or acts involving violations of constitutional or civil rights; or has violated, or intentionally disregarded, any law, regulation, common law, school policy or directive, if such act was committed by, or with the consent of, a Covered Person.

Privacy and Information Security Coverage

Privacy and Information coverage provides protection for costs that Fund Members may incur in the event of a data or privacy incident. This coverage is provided at no additional cost to Property and Liability members.

The Fund partners with Beazley, one of the world's premiere providers of data incident response services.

Coverage Benefits:

- Coverage for costs associated with notification of up to 10,000 individuals affected by a breach
- \$100,000 for costs for computer expert services, legal services, call center services, public relations consultancy services, credit or identity monitoring services, cyber extortion loss, fraudulent instruction loss, telecommunications fraud, data protection loss and business interruption loss; and
- \$100,000 for claims expenses, damages or penalties related to information security, privacy liability and website media content liability, and regulatory and defense penalties or Payment Card Industry (PCI) fines; and
- Access to a panel of response providers (notification and credit monitoring services, public relations assistance, computer forensics, etc.)
- Coverage provided with no deductible and no additional contribution
- Cannot be purchased as a stand-alone coverage

For complete Privacy and Information Security coverages and conditions, refer to the Fund's Privacy and Information Security Coverage Agreement.



Automobile

The Fund's Automobile program provides both Automobile Liability and Automobile Physical Damage coverages.

Auto Liability

The Fund's Automobile Liability provides coverage if a Covered Person becomes legally obligated to pay for Damages arising out of an Occurrence related to the ownership, maintenance, or use, including loading and unloading, of any Covered Automobile that takes place during the Participation Period because of Bodily Injury or Property Damage.

- The Automobile Liability deductible applies on a per occurrence basis.
- Liability arising from the use of mobile equipment that is licensed for use on a public road is covered under Automobile Liability.

Auto Physical Damage

Automobile Physical Damage (APD) provides coverage for losses to Covered Automobiles occurring during the Participation Period.

APD includes the following types of coverages:

- **Collision:** Provides coverage for damage to a Covered Automobile caused by a collision with an object or another vehicle; or
- **Comprehensive:** Provides coverage for physical damage resulting from a loss by a cause other than Collision
- The Automobile Physical Damage deductible applies on a per vehicle basis.
- Damage to mobile equipment that is licensed for use on a public road is covered under Automobile Physical Damage.

Regarding Hired and Non-Owned Automobiles:

- Auto Liability and Auto Physical Damage coverage will apply to Automobiles that are commercially leased or rented by the Fund Member for member-related activities where coverage is required under the written lease or rental agreement, or borrowed by the member for member-related activities. If the Automobile is leased, rented, or borrowed for a period of less than 30 days, the Automobile shall be considered a Covered Automobile only for Auto Liability coverage. If for 30 days or more, the Automobile shall be considered a Covered Automobile under the Auto Liability and Auto Physical Damage coverages.
- Auto Liability coverage is excess over any other coverage or insurance available to a Covered Person for claims involving Covered Automobiles that are not owned by the Fund Member or leased under long-term written contract by the Fund Member.

Automatic coverage is provided for Substitute and Newly Acquired Vehicles utilizing the Fund Member's existing coverages.



Automobile Exclusions: (coverages not available with the Fund)

- The Fund does not provide coverage for Uninsured/Underinsured Motorists (UM/UIM), Personal Injury Protection (PIP), Medical Payments (Med Pay), or other no-fault coverage as per the Attorney General Opinion No. H-602 (copy enclosed). This opinion states, "The purchase of either Personal Injury Protection coverage or Uninsured Motorist coverage by an independent school district with local district maintenance funds would be unconstitutional."
- The Fund does not offer Garagekeepers Liability coverage. Claims of this nature would fall under the General Liability coverage of the School Liability Coverage Agreement and immunity provided from the Texas Tort Claims Act would apply.
- Damages or Claims Expense arising out of the ownership, maintenance, operation, use, loading or unloading of any Automobile in violation of any state or federal law or regulation specifically addressing safety in the transportation of students.

For a complete explanation of Automobile coverages, terms, conditions, limits, and exclusions that may apply, please refer to the enclosed CCS and Automobile Coverage Agreements.

Vehicle Log Services

DUFF & PHELPS

Duff & Phelps features a vehicle inventory maintenance program for Fund Auto program members. Members can add and delete vehicle data at any time on the Duff & Phelps Website (erisk.duffandphelps.com/online).

Some of the online functions include:

- Maintain vehicle inventory
- Export vehicle data to an Excel file for internal use or as a simple PDF
- Filter data elements and selection criteria for an exact result or range

Internet-based system features allow members the ability to make changes directly to their vehicle logs via the online tools.



Auto, Liability, Property Claims Administration

Claims Reporting

Claims can be reported through the Fund's Website (tasbrmf.org). Accidents and property claims that occur after normal business hours, or on weekends, can be reported by calling 800.482.7276. Claims staff are on call at all times.

Fund members can add relevant claims information to the form, review, edit, and save the details before claims is submitted. This assures members a prompt response and expeditious claims handling service.

Members must give the Fund notice of a Loss no more than 365 days from the date of the Occurrence. No coverage will be available to the Member if the notice is beyond 365 days.

Claims Administration Services

Claims administration services are administered by responsive and knowledgeable TASB staff who are experienced in the handling of Auto, Liability, and Property claims.

In-house Subrogation Recoveries

Subrogation investigation is included during the initial claims process and is handled in-house. Adjusters are trained and skilled in investigating and identifying cases in which there is potential for recovery from liable third parties. A dedicated subrogation specialist is assigned to pursue subrogation to its fullest extent. The Fund utilizes law firms with proven track records in subrogation recoveries if litigation becomes necessary.

Expert Attorney Panel

If a claim reaches lawsuit stage, the case will be assigned to expert counsel from the Fund's approved attorney panel.

The advantages of the attorney panel include:

- Representation from experts in dealing with legal issues unique to school districts
- Benefit of attorneys who already have strong relationships with TASB claims representatives
- Established streamlined workflow that allows for efficient claims handling, budgeting, billing, and document sharing

Report Claims Online

- Report a claim at any time.
- Submit online claims forms automatically to claims staff.
- Edit and review claim information before submission.
- Email pictures, police reports, and other investigative documents.



Workers' Compensation Claims Administration

The Fund utilizes an integrated injury management approach in providing claims administration services to Workers' Compensation members. This allows the injured employee to return to work quickly, safely, and at a lower overall cost. This benefits the employee, administration, and ultimately, the students.

Claims Investigation

Claims adjusters follow a claim from beginning to end and conduct thorough accident investigations. This consistency ensures injured employees receive timely and accurate payments for compensable claims as required by state law and that fraudulent or non-compensable claims are appropriately contested. Completing their own investigation allows adjusters to establish rapport with the injured employee, develop an understanding of the employee's specific job requirements, and aid in the return-to-work process. This comprehensive approach sets the tone for ongoing management of the claims.

Qualifications and Case Load

Licensed adjusters average 15 years of experience handling workers' compensation claims. The Fund's claims handling standards limit the number of files to an average of 125 per lost time adjuster and 200-250 per medical-only adjuster, a much lower case load than most competitors. Limiting the number of active files allows adjusters to properly investigate each claim, determine compensability, properly set and monitor reserves, and ensure the timely and accurate payment of benefits. As a result, our adjusters have more time to proactively manage their claims and provide excellent customer service.

Reserves

Accurate reserve levels are dependent upon predicting future medical care and indemnity payments. Using predictive software and relying on in-house medical professionals and their own extensive claims experience, claims staff provide members with the best possible estimate of the future liability of each claim. Initial reserves are set for new claims within three days, and as conditions change or facts emerge, reserves are reevaluated and updated every 90 days or as necessary.

Medical Director

The Fund's medical director is a highly experienced occupational medicine physician who provides consultation to our adjusters, utilization review nurses, and bill review staff on complex claims to ensure medical treatment is properly managed and paid.

Nurse Case Managers

Nurse case managers collaborate with treating physicians, members, adjusters, and the injured worker to ensure injured employees receive proper medical treatment and facilitate a return to work as soon as it is appropriate to minimize length of disability.

Workers' Compensation Trainer

Laura Romaine, a Workers' Compensation program consultant, has served as a trainer and presenter for a number of educational organizations, including the Texas Association for Pupil Transportation (TAPT) and the Texas Association of School Personnel Administrators (TASPA). Laura provides hands-on Workers' Compensation training for Fund members.

Stephenville Independent School District



Consultation and Advice

Claims adjusters and Risk Management Risk Solutions staff work closely with Fund members to develop and modify policies necessary to facilitate safe workplaces.

Pre-injury education, communication with supervisors and employees, direct provider contracts, and early claims reporting reduce the frequency and severity of claims.

In-house Subrogation Recoveries

Subrogation investigation is included during the initial claims process and is handled in-house. Adjusters are trained and skilled in investigating and identifying cases in which there is potential for recovery from liable third parties. A dedicated subrogation specialist is assigned to pursue subrogation to its fullest extent. The Fund utilizes law firms with proven track records in subrogation recoveries if litigation becomes necessary.

Online Claims and Wage Reporting

Members can submit the DWC-1 (First Report of Injury), DWC-3 (Employers Wage Statement), and DWC-6 (Supplemental Report of Injury) forms electronically on the Fund Website (tasbrmf.org).

Integrated Data System

Information sharing is critical to successful injury management. Skilled clinical professionals use a claims system that combines the claims payment system and the medical management care module for a truly integrated system.

Employer Claims Information

The Fund Website provides step-by-step guidance on employers' responsibilities within the Workers' Compensation system. Resources include a form library with detailed instructions and information about deadlines and potential DWC fines for non-compliance.

Volunteer and Other States' Endorsement

Volunteers are not defined as "employees" of the Fund Member and are not covered under the Fund's Workers' Compensation program. Employees of the Fund Member are covered.

The Fund pays Workers' Compensation claims according to the Texas Workers' Compensation Act and the Texas Department of Insurance (TDI) Division of Workers' Compensation (DWC) rules. Employees injured while in the course and scope of employment and while traveling to other states, are covered under Texas rules. The Fund does not cover Fund Member operations in other states. Employees who work in Texas, but live in another state, will be covered pursuant to Texas law

Employer's Liability Coverage

Employer's Liability coverage is not required for public school districts per Section 504.002(a)(b), Texas Labor Code. Political Subdivisions are not subject to the exemplary damage section, Section 408.001(b), Texas Labor Code of the Workers' Compensation Statute. The Fund will pursue dismissal for lawsuits of this nature.

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Fully Funded Program

The Fund Member pays a contribution for the agreed term to cover the servicing costs of program administration including loss prevention, stop loss coverage, claims handling and medical cost containment. In exchange, all claims are paid and administered until closed with no additional fees.

Aggregate Deductible Program

The Fund Member pays a reduced contribution for the agreed term for all servicing and is billed for claims paid by the Fund, on behalf of the Fund Member, until the established claims liability or Aggregate Deductible is exceeded.

Once the Aggregate Deductible is exceeded, the Fund is responsible for claims payments in excess of the established claims liability or Aggregate Deductible. There are no additional fees for this service. The actual out-of-pocket costs of this option will vary based on the Fund Member's paid claims.

The Fund Member agrees to reimburse the Fund for the claims amounts paid on the Fund Member's behalf, for claims with injury dates attributable to each annual participation period the Fund Member participated, up to the Aggregate Deductible (claims liability). Billing will be provided on a monthly basis and is payable within 30 days of the invoice date. The Fund Member has the option to pay the annual contribution in full or on a quarterly basis. The Fund agrees to pay the Fund Member's claims in excess of the Aggregate Deductible amount.



Medical Cost Management

The Fund's medical cost management services promote high-quality medical care, optimizing injured employees' recovery and return-to-work outcomes. Clinical staff provides the services, ultimately reducing indemnity and medical costs. The Fund's Workers' Compensation coverage includes the following medical cost management services:

- Medical Bill Review
- Utilization Management (Prospective, Concurrent, and Retrospective)
- Peer Review
- Case Management Services (Medical and Vocational)
- Pharmacy Management
- Access to the Alliance Medical Network

From early intervention to retrospective utilization review, the Fund's services offer valuable information, evaluation, and claims management by highly-trained, licensed medical review, and customer service staff. Assisted by an integrated data system, the staff assures treatment and charges are medically necessary and appropriate for the claims.

Medical Bill Review

Medical bill review includes the following services:

Improper Billing Practices are identified, such as up-coding, unbundling, unrelated treatments, overutilization, improper billing for technical components, improper coding, treatments, or services rendered by an unauthorized provider, treatment not pre-authorized, and billing for incidental/global procedures.

Utilization Review Compliance assures utilization review recommendations are followed for both pre-authorization and retrospective recommendations.

Duplicate Charge Review identifies duplicate bills and duplicate line charges within bills.

State Electronic Reporting assists Fund Members in complying with electronic reporting requirements in Texas. Medical bill audits of HCFA-1500 and UB-92 bill forms are submitted to DWC electronically by the Fund.

Maintenance of Billing Histories assists in identifying over-treatment and duplicate billing. Online histories are maintained for each line on every medical bill received.

Bill Review Summary or Explanation of Benefits (EOB) summarizes charges and recommended reimbursements, and DWC-mandated reasons for any reductions. EOBs are attached to reimbursement checks. Copies of EOBs are mailed to injured employees when treatment is denied for relatedness, unnecessary treatment, or treatment performed by someone other than the treating doctor or treating doctor's designee.

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Utilization Management

The Utilization Management department is certified by TDI as a Utilization Review Agent. Nurses are Registered Nurses (RN) and most are Certified Case Managers (CCM) and hold a 03 Workers' Compensation adjuster's license. Nurses have more than 250 years of combined medical experience.

The Fund's medical director is Brian Buck, MD, board-certified in Physical Medicine and Rehabilitation since 1987, and board-certified by the American Board of Electrodiagnostic Medicine in 1989. In addition, several physician advisors assist the nurses, bill review, and adjusting staff.

Medical Protocols and Criteria ensure that decisions are medically sound and legally defensible. The Fund uses a number of widely accepted protocols to evaluate treatment plans and the care an injured employee receives. Physician advisors use these protocols to develop screening criteria for use by the RN staff. For general acute and ongoing treatment criteria, the Fund relies on the following:

- Various national treatment guidelines, including Official Disability Guidelines (ODG), and Pressley Reed MD Guidelines
- American Academy of Orthopedic Surgeons and Treatment Protocols
- Length of Stay by Operation and Diagnosis for the southern region

Any pre-authorization request or retrospective review that does not meet the Fund's criteria undergoes a physician peer review as mandated per TDI.

Prospective and Concurrent Utilization Review (PCUR) services are clinically-based on nationally accepted treatment standards. The

medical director and a panel of contracted review physician specialists play an important role in the pre-authorization services.

Pre-authorization complies with the DWC pre-authorization Rule 134.600 and adheres to required timelines and processes.

Medical Bill Review Services Coordination integrates all review decision information in the claims system. This information is available to assist medical bill processing staff, nursing staff, and adjusting staff.

Retrospective Utilization Review is performed on every medical bill received prior to payment. The review evaluates the medical necessity of hospital admission, surgical or diagnostic procedures, and all other treatments and services provided to injured employees. This ensures that the treatment/service was reasonable and necessary as related to the compensable injury.

Case Management Services

The Fund provides statewide case management coverage, with experienced medical, vocational, and bilingual case managers on a contract basis.

Services include:

- Early intervention using a three-point approach with the injured employee, the Fund Member, and the treating physician or other approved health care provider
- Developing modified duty programs for the injured employee
- Working with the treating doctors to develop, document, monitor, and amend treatment
- Assistance in obtaining certification of Maximum Medical Improvement (MMI)

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Pharmacy Benefit Management

The Fund partners with Optum to provide Pharmacy Benefit Management services to Fund Members.



Optum originated from PMSI, founded in 1976, and has a proven reputation as an industry leader. A Workers' Compensation pharmacy benefit management provider is similar to a group health prescription drug card program, with a focus on medications associated with work-related injuries. Drug cards are provided to injured employees, allowing them to fill medications at a participating local retail pharmacy.

Optum provides:

The First Fill Program: The program puts temporary cards in the hands of administrative personnel and supervisors to give to employees when they are injured. This allows injured employees to immediately receive medications until the claims is reported to and investigated by the Fund.

Effective Drug List or Formulary: When an injured employee presents a prescription to a pharmacy, Optum electronically reviews it to ensure the medication is related to a workers' compensation incident and injury and that it is not being filled too soon. Optum also reviews the drugs to determine if there is a problematic interaction with other drugs the injured employee may be currently using.

Risk Assessment: Optum uses system edits, staff, and pharmacists to review the drug utilization patterns of every injured employee. The company then alerts the adjuster if an injured employee is approaching the limits of his or her medication protocols. This allows the adjuster, with the help of medical professionals, to control over-utilization of potentially addictive medications.

Savings: Optum offers discounts below the currently approved DWC Medical Fee Guidelines for medications filled using a workers' compensation pharmacy card at a participating pharmacy. This provides significant savings for Fund members.

Pharmacy Savings

Year	Injured Workers	Prescriptions	Fee Schedule/UCR	Network Price (Paid Dollars)	Network Savings	Savings from Meds Not Processed	Total Savings
2017	4,985	15,932	\$1,864,945	\$1,099,196	\$765,750	\$ 814,460	59.00%
2016	4,944	17,750	\$2,328,992	\$1,356,432	\$972,560	\$1,650,974	65.90%
2015	4,884	19,005	\$2,481,095	\$1,446,406	\$1,034,689	\$1,828,156	66.40%

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Alliance

The TASB Risk Management Fund, the Texas Municipal League Workers' Compensation Fund, the Texas Association of Counties Workers' Compensation Fund, the Texas Council Risk Management Fund (Mental Health Mental Retardation Centers), and the Texas Water Conservation Association Risk Management Fund (Water Districts and River Authorities) formed the Political Subdivision Workers' Compensation Alliance (the Alliance) to offer direct provider contracting services for all of its members.



The Alliance has formed a unique partnership through direct contracts with medical providers who share a common goal of providing quality care, treating according to nationally recognized treatment guidelines, and returning injured employees to work as soon as possible.

The Alliance saved the Fund \$23.8 million in medical savings over the past five Fund years. In addition Alliance providers have also saved the Fund countless dollars in indemnity benefits by providing effective medical treatment and releasing them to work as soon as appropriate.

Texas Department of Insurance Network Report Card

The Alliance has scored high on all of the Texas Department of Insurance (TDI) Network Report Cards. According to TDI's 2018 Workers' Compensation Network Report Card Results, the Alliance continues to provide lower average costs than non-networks, lower average professional costs and hospital costs than non-networks, and lower average pharmacy costs than non-networks.

Telemedicine

Beginning September 1, 2018, the Texas Workers' Compensation Act enabled medical providers to treat injured employees using telemedicine.

Fund members can work with Concentra or RediMD to offer telemedicine as an option for injured employees to receive medical care for minor no lost time claims or follow-up appointments.

This feature is available at no additional cost to Fund members. There is reduced lost time from work, because there is no travel or wait time at a doctor's office.



**Highest
satisfaction in
care**



**Second lowest
average
professional
costs**



**Third highest
return-to-work
results**



Loss Prevention Services and Training

The Fund is focused on reducing risk exposure and costs through comprehensive risk solutions that include consultations, training, and workplace surveys. The Risk Management Risk Solutions division brings members an array risk management solutions aimed at preventing injuries, property damage, auto accidents, and other losses. With a commitment to service, Risk Management Risk Solutions staff go beyond routine inspections and recommendations.

Automobile, Property, and Workers' Compensation pool members are placed on a tailored service plan and assigned to a dedicated risk solutions consultant who assists with initiatives to protect valuable district resources. Consultants help members identify, remedy, and prevent workplace hazardous conditions that could result in injury and/or loss.

Loss prevention services are fine-tuned to serve members' needs with innovative programs that keep pace with changing work environments and technological developments. Risk solutions consultants are experienced professionals dedicated to developing confidence, trust, and long-lasting relationships with members.

Members of the Workers' Compensation Administrative Services Only (ASO) program have an option to purchase the loss prevention package outlined in the CCS. Automobile, Liability, Property, and Workers' Compensation Pool and Aggregate program members receive the following assistance to plan, coordinate, and implement loss prevention programs.

Consultations

Consultations are driven by individual member needs and requests for assistance.

Consultations can be provided through a variety of formats, including face-to-face, email, or phone.

Hazard Surveys

Risk solutions consultants provide workplace exposure or hazard surveys to members. Consultants are experts in school district risks and understand the importance of identifying hazards and their impact if not mitigated effectively. Risk Management Risk Solutions staff offer value-added solutions designed to eliminate or reduce exposures.

Safety SCHOLAR Program

The SCHOLAR Program is a risk management process that utilizes the Fund's seven step Accident Prevention Plan. It establishes a sustainable, organization-wide management system to support members' efforts to raise safety awareness, create safer work environments, and reduce work-related accidents, injuries, and associated costs.

Training Programs

The Fund provides school-specific workshops, seminars and other training covering safety topics relevant to Fund member coverage programs. Services are tailored to the individual needs of the member.

Multi-Member Training

The Fund provides regionally-based training sessions approximately four times a year. These sessions take place over one to two days and cover a variety of topics. Two commonly requested topics are:

Vehicle Collision Investigation Course

Designed to help members understand the terms and requirements for effective collision investigations, this course instructs