

Workers Compensation Third Party Administrator and Stop Loss Coverage

June 12, 2012

SUMMARY:

This item requests renewal of the Workers Compensation Third Party Administrator and Stop Loss 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 June 28, 2011 the District opted to continue with TASB Risk Fund for Workers' Compensation – Administrative Services Only and accepted the Safety National Casualty Corporation the second year of the two year term, for stop loss coverage with the \$450,000 specific retention and \$1,000,000 aggregate retention. The premium was \$56,980.

SIGNIFICANT ISSUES:

Due to the current economic impact on Texas school districts, the Fund has decided to hold Denton ISD's 2011-12 claim fees and program administration fees for 2012-13.

FISCAL IMPLICATIONS:

Stop Loss - The fund provided two options to the district. Option 1 stop loss premium is \$58,484. This option includes a specific retention of \$500,000 and an aggregate retention of \$1,000,000. Option 2 stop loss premium is \$62,383. This option includes a specific retention of \$450,000 and an aggregate retention of \$1,000,000.

Administrative Services - The proposed Program Administration fees will remain at \$9,600 annually.

Claims Administration fees will remain as follows:

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

Other cost containment fees and loss prevention services are included on the Contribution and Coverage Summary.

Currently our district continues benefits during holiday breaks. The law allows us to stop benefits for actual holiday breaks.

PROCEDURAL AND REPORTING IMPLICATIONS:

Sign and return TASB's Contribution and Coverage Summary.

SUPERINTENDENT'S RECOMMENDATION:

Recommend that the District continue with TASB Risk Fund for Workers' Compensation – Administrative Services Only and accept the Safety National Casualty Corporation coverage which includes a specific retention of \$500,000 and an aggregate retention of \$1,000,000 with a total premium of \$58,484. The district also elects to continue weekly benefits during holiday breaks.

STAFF PERSONS RESPONSIBLE:

Debbie Monschke, Executive Director Administrative Services

ATTACHMENT:

TASB – Contribution and Coverage Summary
Safety National Casualty Corporation - Binder

APPROVAL:

Signature of Staff Member Proposing Recommendation: _____

Comments: _____

Signature of Divisional Leader: _____

Comments: _____

Signature of Superintendent: _____

Comments: _____