

Property/Casualty Insurance

December 12, 2006

SUMMARY:

This item requests approval of the Property/Casualty Insurance for 2007.

PREVIOUS BOARD ACTION:

The Board approved the Texas Association of School Boards Risk Management Fund as the District insurance provider for Property, Equipment Breakdown, Miscellaneous Property, Liability, Vehicle Coverage, and Crime on October 25, 2005.

BACKGROUND INFORMATION:

None

SIGNIFICANT ISSUES:

TASB offered a \$10,000 renewal credit if a decision is made prior to January 5, 2007.

FISCAL IMPLICATIONS:

TASB submitted a proposal for coverage of \$571,210,884 blanket replacement cost, as compared to \$509,821,782 from the prior year, on buildings, personal property and auxiliary structures with a \$250,000 deductible for wind, hurricane and hail and \$50,000 for all other claims. The property coverage premium for 2007 is \$405,560 as compared to \$382,366 in 2006, an increase of \$23,194. The net increase in insurance premiums for all lines of coverage is \$55,031 or 8.94%. The increase in total property coverage is \$63,060,561.

BENEFIT OF ACTION:

Selecting the TASB option will provide continued service with our current carrier.

PROCEDURAL AND REPORTING IMPLICATIONS:

Approve and sign the Contribution and Coverage Summary and the Renewal Letter.

PUBLIC COMMENT RECEIVED:

None

ALTERNATIVES:

None

SUPERINTENDENT'S RECOMMENDATION:

Recommend that the District approve the renewal from TASB Risk Fund for the following coverages:

- Property - \$50,000 Deductible and \$250,000 Deductible for Wind, Hurricane and Hail
- Equipment Breakdown
- Miscellaneous Property
- Liability
- Vehicle
- Crime

Total Premium of \$670,341

STAFF PERSONS RESPONSIBLE:

Debbie Monschke, Executive Director of Budget and Finance

ATTACHMENT:

- TASB - Contribution and Coverage Summary
- TASB - Renewal Letter
- TASB - Coverage Document Changes
- Comparison of Insurance Premiums

APPROVAL:

Signature of Staff Member Proposing Recommendation: _____

Comments: _____

Signature of Divisional Leader: _____

Comments: _____

Signature of Superintendent: _____

Comments: _____