

**ROBSTOWN INDEPENDENT SCHOOL DISTRICT
AGENDA ACTION SHEET**

Date: August 29, 2023

Subject: **DISCUSS AND CONSIDER RENEWAL OF CONTRACTS FOR SELF FUNDED WORKERS' COMPENSATION INSURANCE AND EXCESS WORKERS' COMPENSATION INSURANCE**

Administrator Responsible: Eva Cisneros

Position: Chief Financial Officer

A. Purpose of Agenda Item:

Information Only

Action Needed

B. Authority for this Action:

Local Policy CH Local

Law or Rule _____

C. Strategic Objective, Goal, or Need Addressed:

The objective is to renew workers' compensation insurance and excess insurance.

D. Summary:

The initial contract in 2021 was for one (1) year with the option to renew for an additional two years for successful service of delivery. Contract extensions are to be granted in one (1) year increments. Administration is seeking that the Board of Trustees approve a renewal for one (1) year with TRISTAR for Self-Funded Workers' Compensation and Frost Banking Investment Insurance for Excess Workers' Compensation Insurance.

E. Alternatives Considered:

F. Comments Received:

G. Administrative Recommendation:

That the Board of Trustees approves a renewal for one (1) year with TRISTAR for Self-Funded Workers' Compensation and Frost Banking Investment Insurance for Excess Workers' Compensation Insurance.

H. Fiscal Impact and Cost:

\$77,561 for Frost and \$2,500 for Tristar

I. Monitoring and Reporting Time-Line:

INSURANCE PROPOSAL

PREPARED FOR:

ROBSTOWN ISD

PRESENTED BY:

**CYNTHIA WHITE
FROST INSURANCE
111 W HOUSTON STREET, 4TH FLOOR
SAN ANTONIO, TX 78205**

Monday, August 14, 2023



TABLE OF CONTENTS

- Supplement to Proposal.....4
- Marketing Strategy Report to Management.....5
- Service Team.....6
- Named Insured Schedule.....7
- Workers' Compensation.....8
- Disclosure Statement Service Fees and Reimbursements.....9
- Acceptance of Proposal.....11
- Frost Insurance App and Online Service Center12
- Claims Department Services.....14
- Risk Management Serv16

FROST

WHO WE ARE AND WHAT WE STAND FOR.

For five generations and over three centuries, Frost has been committed to helping families and businesses throughout Texas prosper. What began as a small San Antonio, Texas mercantile store in 1868 has grown to more than 110 financial centers across Texas. While much has changed over the years, the principles and values on which Frost was founded haven't changed one bit.

CHARACTER IS A PERSON'S GREATEST ASSET.

We survived the Great Depression, two world wars and the stock market crash. In the 1980s we survived the Texas banking collapse, the oil crisis and the real estate market crash. In fact, we were the only one of the top 10 Texas banks to survive the '80s intact. More recently, we navigated through the Great Recession without accepting federal bailout funds.

The reason we made it through the tough times is simple. Our customers stood by us, and we stood by them.

THAT'S WHAT HAPPENS WHEN YOU PUT PRINCIPLES FIRST.

SUPPLEMENT TO PROPOSAL

The descriptions of proposed insurance coverage contained in the proposal do not amend, alter or replace the terms, conditions, exclusion and other provision of policies that would be issued to you, nor do they amend, alter or replace any applicable laws, regulations, rating rules or plans.

No insurance policy covers every risk. We recommend a periodic, detailed risk identification and evaluation meeting in order to ensure proper coverage. No binder, insurance policy, change, addition, and/or deletion to insurance coverage goes into effect unless and until confirmed directly by a licensed agent. Please refer to policies for complete information concerning exact coverages, exclusions & limitations and obligations in the event of a claim. Upon receipt of your insurance policy, it is critical that you carefully review the entire insurance policy and ask your Frost Insurance agent if you have any questions. In the absence of any inquires, Frost Insurance will assume you understand all the coverage terms and conditions and accept them.

This proposal is based on values and exposures to loss disclosed to us in our discussion and correspondence with you or your staff.

Building, personal property and income coverage limits are arrived at based on information provided by the policyholder, third-parties and/or industry standard software used to estimate replacement costs. The actual cost to rebuild the structure or replace the personal property or income may exceed the policy limits, especially in circumstances where a catastrophic event has disrupted the normal supply of materials, labor, and resources. Frost Insurance is not in a position to make assurances or guarantees that the policy limits provided will be adequate to rebuild the structure or replace property or income. If there is doubt about the adequacy of the policy limits, the policyholder should obtain a professional appraisal or obtain the services of a qualified company or builder who is able to provide replacement cost estimates. Policyholder should also notify Frost Insurance if values change.

Higher liability limits are usually available and recommended in the form of increased limits, umbrella or excess liability policies.

Policies with premiums based on sales, payroll or other variable basis are subject to audit. If actual premium basis differs from estimated, additional or return premiums will result. Return premiums may be subject to minimum earned premiums. Frost Insurance should be notified if activity basis changes during policy period, changes to operations, expansions, new products, mergers, acquisitions, new companies or vacancies.

Frost Insurance recommends a careful review of all contracts before executed. In the event Frost Insurance is asked to review contracts, we will review only the insurance requirements. In performing this review, Frost Insurance is not providing legal advice or a legal opinion concerning any portion of the contract. In addition, Frost Insurance is not undertaking to identify all potential liabilities that may arise under the contract. The review is provided for your information, and should not be relied upon by third parties. Upon your authorization, we will make the necessary changes in your insurance program.

Certificates should be required from suppliers and subcontractors with evidence of coverage and liability limits at least equal to yours.

Insurance products are offered through Frost Insurance for solicitation in the state of Texas and are not insured by the FDIC or any other Federal Government Agency. In addition, these products are not a deposit or obligation of, or guaranteed by, Frost Bank.

MARKETING STRATEGY REPORT TO MANAGEMENT

On behalf of Frost Insurance, we would once again like to thank Robstown ISD for allowing us the opportunity to work on your insurance needs. Our objective is to analyze the insurance marketplace and assemble the most competitive program and options with regard to coverage, insurance carriers and premiums.

We are pleased to present the following proposal for Robstown ISD. As part of our marketing efforts, we approached the markets listed below and received the following responses:

Market Approached	Response
Midwest Employers Casualty (Incumbent)	Quote illustrated in proposal
U S Specialty	Quote Illustrated in Proposal
Safety National	Doesn't meet minimum premium requirements

We appreciate the opportunity to provide this quotation. We look forward to working with you in managing your assets.

SERVICE TEAM

Cynthia White is the team leader for your account and works to maintain positive relationships with the Frost Service team and insurance markets and any other Frost services.

Account Manager – **Patricia Medina** is the daily contact for service issues and will coordinate services such as coverage questions, policy changes, claims reporting and claims handling.

Risk Services – **Leon White** is responsible for coordinating delivery of risk services to support safety and claims management efforts.

Name	Phone	Email
Cynthia White	(210) 220-6433	cwhite@frostinsurance.com
Patricia Medina	(210) 220-6521	patricia.medina@frostinsurance.com
Leon White	(210) 220-6437	lwhite@frostinsurance.com

NAMED INSURED SCHEDULE

Robstown ISD

WORKERS' COMPENSATION

Prepared for: Robstown ISD
 Proposed Carrier: Midwest Employers Casualty
 Proposed Effective Dates: 9/1/2023 to 9/1/2024

COVERAGE DETAILS

Coverage	Expiring Premium 1 Year Term	Renewal Premium 1 Year Term	Renewal Premium 2 Year Term	US Specialty 1 Year Term	US Specialty 2 Year Term
Carrier / Best Rating	Midwest Employers Insurance Company A+, XV	Midwest Employers Insurance Company A+, XV	Midwest Employers Insurance Company A+, XV	Star Insurance Company A-, X	Star Insurance Company A-, X
Policy Term	September 1, 2022 - 2023	September 1, 2023 - 2024	September 1, 2023 - 2025	September 1, 2023 - 2024	September 1, 2023 - 2025
States Covered	Texas	Texas	Texas	Texas	Texas
Estimated Annual Payroll	\$21,100,000	\$19,712,517	\$19,712,517	\$19,712,517	\$19,712,517
Estimated Annual Manual Premium	\$98,600	\$89,424	\$89,424	Not Disclosed	Not Disclosed
Specific Worker's Compensation Limit	Statutory	Statutory	Statutory	Statutory	Statutory
Employer's Liability Limit	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000
Rate Per \$100 Payroll	N/A	0.292	0.292	0.2402	0.2126
Rate as a % of Manual Premium	58.41%	N/A	N/A	N/A	N/A
Self-Insured Retention	\$400,000	\$400,000	\$400,000	\$400,000	\$500,000
Aggregate Limit	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000
Aggregate Retention % of Manual Premium	1,402.08%	1,444.29%	1,299.86%	875.75%	875.75%
Estimated Aggregate Retention	\$1,354,802	\$1,291,542	\$2,324,774	\$1,000,010	\$2,000,020
Minimum Aggregate Retention	\$1,354,802	\$1,265,711	\$2,278,278	\$1,000,010	\$2,200,020
Estimated Policy Period Premium	\$57,592	\$57,561	\$115,122	\$47,349	\$83,818
Policy Period Minimum Premium	\$51,833	\$51,804	\$103,609	\$42,614	\$75,436
Annual Deposit Premium	\$57,592	\$57,561	\$57,561	\$47,349	\$41,909
Terrorism Risk Insurance Premium (included)	\$1,728	\$1,727	\$1,727	\$1,636	\$1,636
Cash Flow Endorsement	\$200,000/\$200,000/\$200,000	\$200,000/\$200,000/\$200,000	\$200,000/\$200,000/\$200,000	Not Offered	\$250,000/\$250,000/\$250,000
Professional Services for Loss Control and Claims Consulting Fee	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000
Total Annual Deposit	\$77,592	\$77,561	\$77,561	\$67,349	\$61,909

DISCLOSURE STATEMENT SERVICE FEES AND REIMBURSEMENTS

Our agency may provide certain services that you request or that are necessary to place or maintain your insurance. Articles 21.35A and 21.35B of the Texas Insurance Code authorize us to charge a fee for services if we obtain your written consent prior to providing the service or incurring the expense. The fee may be charged in addition to any commission we may receive from the insurance company providing the insurance coverage. The purpose of this Disclosure Statement is to agree with you that if we perform any of the following services in your behalf, you agree to pay to amount indicated as compensation for the services provided or expenses incurred.

You may call the Texas Department of Insurance at 1-800-252-3439 to obtain information on how to file a complaint if you have a complaint regarding these fees.

Category	Taxable	Description	Fee
Service Fees			\$20,000.00
Printing or Reproduction	N		\$
Electronic Mail or Telephone Transmission	N		\$
Special Delivery or Postal	N		\$
Cost Similar to the Above Services	N		\$
Motor Vehicle Records (MVRs)	N	We will provide a copy of the record(s) for you.	\$ (actual cost)
Photographs of Property	N		\$ (actual cost)
Inspection Fee	Y		Included
Agent Fees			
Marketing and Administration in lieu of commission	N		\$

Risk and Financial Analysis	Y		Included
Claims Management	Y		Included
Loss Control	Y		Included
Insurance Services performed for Self-insured Client	N		\$
Other Insurance Services Fee (Describe):			
		TOTAL FEES	\$20,000.00
		Sales Tax (if applicable)	\$
		TOTAL CHARGE	\$20,000.00

When this line is checked, we disclose to you that our agency or an affiliate of our agency receives compensation from an insurer or other third party. The compensation we receive includes the following if one or more lines are marked:

_____ Commission computed as a percentage of the premium you pay for the insurance.

_____ Contingent commission, profit sharing or nonfinancial rewards, computed annually and based on the amount of premium and profitability of all the insurance business we place through the insurer. This compensation is not guaranteed.

_____ Other:_____

I agree to pay to fees specified above to: Frost Insurance Agency, Inc. _____

Client Name _____

Signed _____ Date _____
(client signature)

ACCEPTANCE OF PROPOSAL

____ Accept as presented and authorizing Agency to bind coverage with the following payment options:

- ACH Via \$3.25 process fee
- Credit card via 3.5% credit card processing fee
- Payment by check
- Finance Agreement – 20% - 25% down payment, balance due in 10 installments, current APR will apply

____ Accept with changes noted below and authorize Agency to bind coverage with following payment option:

- ACH Via \$3.25 process fee
- Credit card via 3.5% credit card processing fee
- Payment by check
- Finance Agreement – 20% - 25% down payment, balance due in 10 installments, current APR will apply

Proposal Changes:

It is understood policies will be delivered electronically unless specifically requested otherwise.

For direct bill and premium financed policies, Agency cannot be relied upon to provide notice of lapse of coverage due to non-payment of premium to insurance company.

Client Name Robstown ISD

Signed _____ Date _____
(client signature)



FROST INSURANCE APP AND ONLINE SERVICE CENTER CLIENT SELF-SERVICE PORTAL

Frost Insurance is committed to making it easier to do business with us. By providing your company with 24/7 access to view and manage your insurance information, the Frost Insurance App and Online Service Center is an extension of the Frost customer service experience you've always known. It's your on-the-go source for all your company's insurance information.

The Frost Insurance App and Online Service Center gives you quick, convenient access to your company's information where and when you need it, so you can focus on your business rather than your insurance.

NO MATTER WHERE YOU ARE, YOU'LL BE ABLE TO:

CERTIFICATES

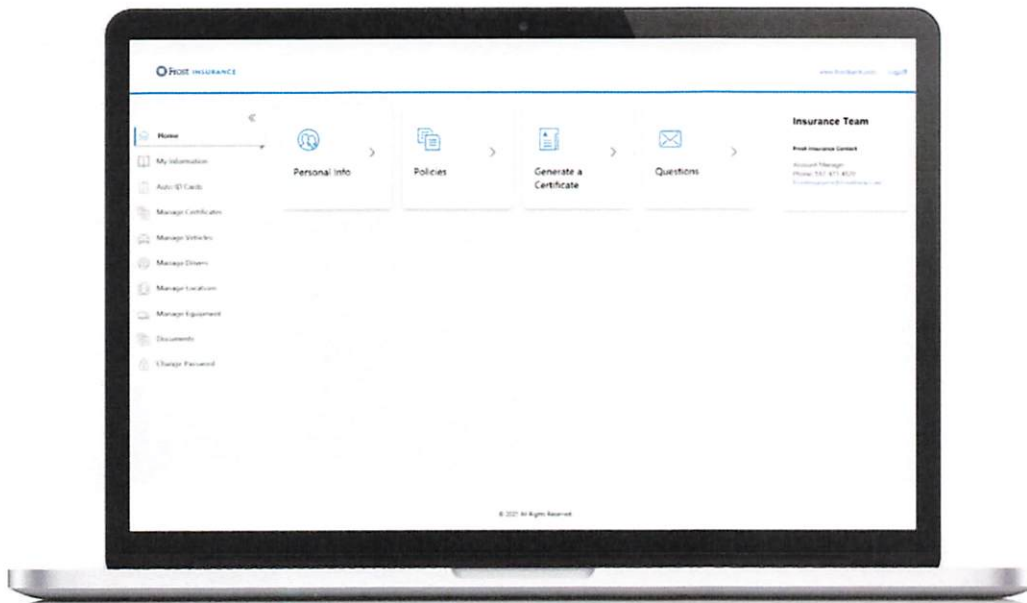
View or email your Certificates of Insurance (COIs), including attachments and endorsements when needed.

ID CARDS

View or email copies of your auto ID cards.

CERTIFICATE HOLDERS

View an up-to-date list of certificate holders and add, modify or delete as needed.



CONTACT INFORMATION

Access the contact information we have on file for your account.

DOCUMENTS

Keep resource documents handy.

POLICY INFORMATION

View your policy information, including locations, equipment, drivers, vehicles, deductibles and limits of your coverage.

CERTIFICATES OF INSURANCE

When a last-minute COI is required to conduct or continue business, you can efficiently process the documents, and provide automatic inclusion of attachments and endorsements when needed. You can view, print, email or fax a copy of the COI from your computer or mobile device.

AUTOMOBILE ID CARDS

When you've lost or misplaced an auto ID card, you can view, print, email or fax a new copy directly from the online access portal or the app.

POLICY INFORMATION

View items or coverage in all of the following areas:

- Locations
- Drivers and vehicles
- Equipment
- Limits and deductibles

This feature enables both your business and Frost Insurance to view the same information and ensure that nothing is omitted from a policy.

ONLINE POLICY CHANGE REQUESTS

You have the ability to request changes to your insurance information, including adding, deleting and/or modifying coverage on your insurance policies. This service is available 24/7, offering a convenient way to communicate necessary policy changes to Frost Insurance. Of course, you still have the option to email or call your account manager with changes.

MANAGEMENT OF CERTIFICATE HOLDERS, LOSS PAYEES AND ADDITIONAL INSURED

The Frost Insurance App and Online Service Center enables you to manage all of your certificate holders in one location. You can add, modify and delete holders at any time, as well as easily review certificate holders prior to renewal in order to eliminate past certificate holders who no longer do business with you or who do not require a renewal certificate. This enables you to distribute certificates only to those companies or individuals who have a current interest in your business or operations.

CONFIRMATION OF ALL ONLINE ACTIVITY

One of the key features of the Frost Insurance App and Online Service Center is that all activity is verified through a confirmation email sent to the individual who initiates the activity. The email will confirm that the request has been received by Frost Insurance.

CUSTOMIZED USER ACCESS


Because each user is assigned a unique login, you can provide access to one or more individuals in your office. Additionally, the Frost Insurance App and Online Service Center allows you to designate whether the user has full account access, or a more limited view allowing the user to issue certificates and auto IDs, but not initiate any policy changes.

PLEASE NOTE

Requests for the addition, deletion or modification of coverage are not effective until authorized and confirmed by a licensed representative of Frost Insurance. These confirmations will typically be communicated within 24 hours of a request.

Contact your Frost Insurance team to learn how to get started using our Frost Insurance App and Online Service Center.

Insurance products are offered through Frost Insurance for solicitation in the state of Texas and are not insured by the FDIC or any other Federal Government Agency; are not a deposit, obligation, or guaranteed by Frost Bank; and may lose value.



CLAIMS DEPARTMENT SERVICES

Act as Liaison Between You and the Insurance Carriers' Claims Services

As the liaison between you and the selected insurance carriers, our primary responsibility would be to solve any problems that may arise regarding claim handling, from acknowledgement through investigation to the final payment. The Frost Insurance Claims Department will assist you in understanding the steps the adjuster is taking in the handling of your claims. The Frost Insurance Agency Claims Department will provide direction to the handling adjuster as needed to bring your claims to be fairest and most efficient conclusion possible.

Develop Claims Handling Procedures to be Followed

The Frost Insurance Claims Department will assist you in developing reasonable and consistent handling instructions to be followed by the selected carriers. Once the handling instructions are in place, we will maintain contact with the carriers to ensure that the individual adjuster carries out these guidelines fully and accurately. These guidelines may include: requests for authority for payment or denial, contact procedures during an investigation, instruction for loss run distribution and directions for the use of outside vendors.

Assist in the Resolution of Coverage and Compensability Issues

Whenever necessary the Frost Insurance Claims Department will assist you in reviewing and analyzing any coverage question or concern that may arise. We will assist in presenting your position to the carrier as well as assist in the explanation of the carrier's position. The Frost Insurance Claims Department will assist you in making every effort to come to an agreement and will advise you of your options if an agreement cannot be reached.

Perform Claim Reviews and Monthly Loss Run Reviews

The Frost Insurance Claims Department views this as one of our most important functions. A periodic claim review would consist of a roundtable discussion of your open claims. Topics discussed would include the cause of the accident, current medical status, current work status, current reserves, wages, and all pertinent information available. We would utilize the knowledge available from all parties, the adjuster, your staff and the Frost Insurance Claims Department to develop a plan of action to bring each claim to a fair conclusion. Included in these discussions would be options available to you in the handling of each claim, from independent medical examinations and dispute resolution procedures to private investigators and settlement evaluations. In addition to claim review meetings your loss runs would be reviewed on a monthly basis

to monitor changes in reserves and frequency of claims. Once this information is analyzed it will be used to:

Assist in the Monitoring and Controlling of Reserves

If necessary, the Frost Insurance Claims Department will make suggestions to the handling adjusters regarding the appropriateness of the reserves set based on knowledge, judgment, past experience and the law.

Quality of the Frost Insurance Agency Claims Department

The Frost Insurance Claims Department provides an intelligent, well-educated and cooperative staff to assist you in all claim issues. The role of the Frost Insurance Claims Department is clear, we represent the insured and act as an advocate for the insured on all issues.

RISK MANAGEMENT SERVICES

FROST INSURANCE

Frost Insurance takes a systematic approach to help clients manage financial loss and reach their risk management goals. Our team of knowledgeable Frost risk control consultants will work with you to identify and prioritize your risk activities, help manage exposures and reduce future losses.

With experience across a broad range of industries, our team of risk control consultants also holds multiple professional designations:



Certified Safety and Health Official (CSHO)



Specialist in Safety and Health (SSH)



Certified Insurance Counselor (CIC)



Advanced Safety Certificate® (ASC)



Texas Licensed Risk Manager

WHAT'S INCLUDED IN RISK MANAGEMENT SUPPORT?



RISK CONTROL CONSULTING SERVICES

- Risk surveys and inspections
- Insurance carrier visits
- Loss analysis and risk identification
- Safety programs
- Fleet safety
- Complex claims management
- Contractual risk transfer
- Regulatory compliance for OSHA, EPA, DOT and DHS
- Emergency operations and business continuity
- OSHA investigations, citations and resolutions



TECHNOLOGY RESOURCES

- MyWave Connect resource library for policies, safety, compliance and OSHA recordkeeping
- Certificates of insurance
- Two learning management systems (LMS)
- Risk Management Information System (RMIS)
- Regulatory updates and resources



CONTINUED EDUCATION

- Client specific webinars
- Risk guidance communications

WE'RE HERE TO HELP

Frost is invested in the long-term success of your business. Effective risk management can help reduce losses, improve organizational resiliency and create a risk profile that is attractive to carrier partners. To learn more, speak to a Frost risk control consultant today at (866) 227-2099.

Please note that this information is provided to you for general informational purposes only and should not be considered an individualized recommendation or personalized advice. No warranty or representation, express or implied, is made by Frost Insurance Agency, Inc. or Frost Bank, nor does Frost Insurance Agency, Inc. or Frost Bank accept any liability with respect to the information set forth herein. Distribution hereof does not constitute legal, tax, accounting, investment, insurance or other professional advice. Recipients should consult their professional advisors prior to acting on the information set forth herein. The distribution or receipt hereof does not create a professional relationship or a contract between the recipient and either Frost Insurance Agency, Inc. or Frost Bank.



Fee Proposal

At TRISTAR, we believe that you should have a clear understanding of the price we charge for our services. We are straightforward regarding our methodology, open to discussion relative to our assumptions and cost estimates, and receptive to any alternatives you would like us to consider. Since our experience has proven that improper focus on administrative costs does not achieve the goal of properly managing total claim disposal costs, we will work with you to strike a proper balance between controlling administrative expenses and providing the appropriate level of resources to realize the best economic outcomes on your claims. We have utilized the desired service specifications to develop our price offerings. Should a material difference be discovered in the historical data and other information provided by you or your representative that we relied on to provide this proposal, TRISTAR reserves the right to make fee adjustments as necessary. For all fee arrangements quoted, our claim service fees do not include services defined as Allocated Loss Adjustment Expense, whether employees of TRISTAR or others perform such services. Please read further for the full definition.

CLAIMS SERVICE FEES include:

- ◆ Complete and thorough *desk* investigation of all claims reported, including recorded statements where necessary, in accordance with TRISTAR's Best Practices and any special service agreements made with the District
- ◆ Evaluation of liability and damages to establish appropriate reserves
- ◆ Reserve Advisories at the District-designated levels
- ◆ Notification/reporting to the District in accord with our service agreements
- ◆ Adjustment and payment of compensable claims
- ◆ Litigation Planning and Management
- ◆ Employment of anti-fraud measures including assignment and direction of investigators to reduce the possibility of payment of non-compensable claims (services of special investigators not included)
- ◆ Maintenance of a record of all investigation, payment, and adjustment activities within TRISTAR's claims system and files
- ◆ Pre-Settlement Advisories
- ◆ Structured Settlement Management (cost of structures not included)
- ◆ Large Loss Notices/Email Alerts
- ◆ Claim Acknowledgements
- ◆ Closing Notices
- ◆ Status Reports – Initial at 30 days/90 days thereafter until closure, or as otherwise agreed
- ◆ Subrogation/Recovery/Restitution – **No** Additional Recovery/Recovery Fee Charged for TRISTAR's pursuit of subrogation
- ◆ Conference calls with legal counsel and other ancillary providers as necessary or requested

ANNUAL ACCOUNT ADMINISTRATION includes:

\$2,500 per year

- ◆ Account Management
- ◆ Implementation Planning and Management
- ◆ the District-Specific Claims Handling Instructions
- ◆ Account Set-Up
- ◆ Quality Assurance Management and Review
- ◆ Bank Account Management and Reconciliation (TRISTAR Accounts Only)
- ◆ Customer Meetings
- ◆ Carrier Audits
- ◆ Annual Stewardship Meeting/Report and Analytical Review