



# UNITED INDEPENDENT SCHOOL DISTRICT AGENDA ACTION ITEM

**TOPIC** Renewal of District Property and Casualty Insurance

**SUBMITTED BY:** Robert Chapa **OF:** Risk Management

**APPROVED FOR TRANSMITTAL TO SCHOOL BOARD:** \_\_\_\_\_

**DATE ASSIGNED FOR BOARD CONSIDERATION:** July 25, 2007

## RECOMMENDATION:

Administration has finalized renewal negotiations for Property and Casualty Insurance coverage and recommends approval for renewal of the P&C coverage as proposed.

## RATIONALE:

On February 9, 2006 the Board approved a two year contract for property and casualty coverage with The Property & Casualty Alliance of Texas (PCAT). The proposal was for a fixed rate for year 2006-07 and a rate not to exceed 10% in school year 2007-08.

PCAT has proposed a renewal rate with NO increase for 2007-08. Administration recommends acceptance of the proposal.

## BUDGETARY INFORMATION:

P&C premiums are included in the 2007-2008 budget.

## BOARD POLICY REFERENCE AND COMPLIANCE:

None

# PCAT

*Property / Casualty*

## 2 Year Addendum to the Interlocal Agreement

For

United ISD

Thanks to the loyal Members, PCAT continues to experience phenomenal success. The commitment to stability and fiscal responsibility have helped all PCAT Members experience the primary objective of pooling, **STABILITY**. Stability leads to significant control over future costs.

PCAT is pleased to offer the following renewal terms:

1. The Property Casualty Alliance of Texas (PCAT) hereby agrees to extend current funding levels, with no rate increase, through 9/1/2007 for United Independent School District (UISD).
2. Furthermore, PCAT hereby agrees to offer a rate renewal of no more than 10% for the 2007 - 2008 Participation Period.
3. PCAT hereby agrees to offer a 10% wind/hail Deductible Credit for each year UISD has been claim-free from wind/hail claims as of 9/1/2006, up to a maximum credit of 30%. This Deductible Credit will apply for the 2006-2007 Participation Period only.
4. If **UISD** provides notice of cancellation as provided by Article 3 of the PCAT Interlocal Agreement, prior to 9/1/2007, a short-term cancellation penalty of ten percent (10%) of Annual Contributions for the 2005-2006 and 2006-2007 Participation Period will be due from **UISD** and payable to **PCAT** within 30 days after notice is received.
5. This Interlocal Agreement Addendum along with the original Interlocal Agreement, signed on 4/29/2003, and any other Addendums, shall represent the entire agreement and may not be amended or altered without the written consent of both parties.
6. The rates for the 2006-2007 and 2007-2008 Participation Period will be applied to the exposures in effect during that time, such as building and contents values, number of autos and number of students.

***This Addendum must be executed prior to April 1, 2006 to be effective.***

IN WITNESS WHEREOF, the undersigned agrees to this Addendum to the Interlocal, subject to funding.

Executed this Day: February 23, 2006.

Signature: \_\_\_\_\_

Member Representative

Signature: \_\_\_\_\_

Chairperson, PCAT

### North American Solutions

*Program Administrators*

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## UNITED INDEPENDENT SCHOOL DISTRICT

### PREMIUM SUMMARY

Coverage		2007-2008
Property	\$	886,293
Equipment Breakdown	\$	44,169
General Liability	\$	72,977
Educator's Legal Liability	\$	136,092
Auto Liability	\$	294,796
Auto Physical Damage	\$	63,657
Pollution Liability	\$	2,528
Flood	\$	7,329
<b>Total</b>	<b>\$</b>	<b>\$1,507,841</b>

**\*EFFECTIVE: 9/1/07 TO 9/1/08**

**\*FLOOD COVERAGE EFFECTIVE 1/3/08 TO 1/3/09**

**\*RATES DID NOT CHANGE, AS THEY ARE GUARANTEED. THE ABOVE PREMIUMS SIMPLY REFLECT ANY CHANGES IN EXPOSURE SUCH AS PROPERTY VALUES AND ANY ADDITIONAL VEHICLES.**

INSURANCE ■ FINANCIAL SERVICES ■ REAL ESTATE

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**UNITED ISD**

PCAT PROJECTED CONTRIBUTIONS: 9/1/2007 - 9/1/2008

9/1/2006 - Originally Bound

9/1/2007 - Estimated

	9/1/2006 - Originally Bound		9/1/2007 - Estimated				
	Exposure Base	Contribution	Rate	Exposure Base	Contribution	Rate	Exposure Base
Property	\$ 532,925,244	\$ 809,895	\$ 0.1525	\$ 581,175,869	\$ 886,293	\$ 0.1525	Total Building & Contents Values
Equipment Breakdown	\$ 532,925,244	\$ 40,204	\$ 0.0076	\$ 581,175,869	\$ 44,169	\$ 0.0076	Total Building & Contents Values
General Liability / Law Enf	36,721	\$ 67,934	\$ 1.85	39,447	\$ 72,977	\$ 1.85	Average Daily Attendance
Educator's Legal Liability	36,721	\$ 126,550	\$ 3.45	39,447	\$ 136,092	\$ 3.45	Average Daily Attendance
Auto Liability	515	\$ 246,246	\$ 492.97	598	\$ 294,796	\$ 492.97	# of Vehicles
Auto Physical Damage	\$ 15,700,000	\$ 44,721	\$ 0.2669	\$ 23,850,423	\$ 63,657	\$ 0.2669	Total Cost New of Vehicles

TOTALS

\$ 1,335,550

\$ 1,497,985

9/1/2007 - 08 Estimated Contribution

\*06-07 & 07-08 RATES ARE IDENTICAL  
Updated Property Values include the new Student Activity Center