

Workers' Compensation Administrative Services Program and Excess Coverage
May 24, 2016

SUMMARY:

This item requests renewal of the Workers' Compensation Administrative Services Program and Excess Workers' Compensation Coverage.

BOARD GOAL:

VI. Growth, Change and Fiscal Responsibility...demonstrate effective and efficient management of District resources.

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 May 27, 2015, the District opted to continue with TASB Risk Fund for Workers' Compensation – Administrative Services Only Program and Safety National Casualty Corporation for Excess Workers' Compensation Coverage. The Excess Workers' Compensation coverage had a \$500,000 specific self-insured retention, \$1,000,000 aggregate retention and \$1,000,000 aggregate excess limit with a premium of \$76,760. The Administrative Services Only Program included Annual Actuarial Review Services and Loss Prevention Services for a premium of \$12,000.

FISCAL IMPLICATIONS:

For 2016-2017, the Fund has proposed Excess Workers' Compensation Coverage with a premium of \$81,147. This includes a \$500,000 specific self-insured retention, \$1,000,000 aggregate retention and \$1,000,000 aggregate excess limit. The annual premium for the Administrative Services Only Program with options for the Annual Actuarial Review and Loss Prevention Services will remain at \$12,000. Claims Administration Fees will increase as follows:

	<u>2015-2016 Fee</u>	<u>2016-2017 Fee</u>
Indemnity Claim	\$ 650 per claim	\$ 725 per claim
Medical Claim	\$ 110 per claim	\$ 125 per claim
Record Claim only	\$ 20 per claim	\$ 20 per claim

The law allows us to stop benefits for actual holiday breaks. Only those employees who were normally scheduled to work during these times will receive benefits.

PROCEDURAL AND REPORTING IMPLICATIONS:

Sign and return TASB's Contribution and Coverage Summary.

SUPERINTENDENT'S RECOMMENDATION:

Recommend that the District continue Safety National Casualty Corporation Excess Workers' Compensation Coverage with a \$500,000 specific self-insured retention, \$1,000,000 aggregate retention and \$1,000,000 aggregate excess limit with a premium of \$81,147 for a period of July 1, 2016 – June 30, 2017. Additionally, it is recommended that the District continue with TASB Risk Fund for Workers' Compensation – Administrative Services Only with optional services for Annual Actuarial Review and Loss Prevention Services. The annual premium for these services will total \$12,000. The combined total annual premium is \$ 93,147.00 which is an increase of \$4,387.00.

STAFF PERSONS RESPONSIBLE:

Debbie Monschke, Assistant Superintendent of Administrative Services
Karen Almon, Director of Risk Management

ATTACHMENT:

TASB –Contribution and Coverage Summary
Denton ISD Aggregate Excess Comparison

APPROVAL:

Signature of Staff Member Proposing Recommendation: _____

Comments: _____

Signature of Divisional Leader: _____

Comments: _____

Signature of Superintendent: _____