



Meeting Date: August 8, 2019

Submitted By: Bill Atkins
Title: Chief Financial Officer

Agenda Item: Consider and take action regarding approving the resolution approving the interlocal agreement with PCAT for auto and liability coverage

CONSENT ITEM

RECOMMENDATION:

It is recommended that the Board of Trustees approve the resolution approving the interlocal agreement with Property Casualty Alliance of Texas (PCAT) for auto and liability coverage.

IMPACT/RATIONALE:

The District has been a member of PCAT for the last three years for the automobile and liability coverages required for the District. During those three years PCAT has paid out 112.8% of the premiums in claims totaling \$569,304. This along with a large loss in the Educators Legal Liability coverage has caused a large increase in the premiums this year. The insurance was marketed to Texas Political Subdivisions, Travelers and Liberty Mutual. The first two declined to provide a quote based on claims history and the Liberty Mutual did not respond.

The current premium is \$181,042 and the renewal quote for the same coverage is \$359,057. The deductible could be increased to \$10,000 to try and save about \$35,000, but looking at the last 8 months of claims this would have cost the District \$72,000. The rating options sheet and resolution are attached.

The District has implemented safety training with both the bus and white fleet staffs this past year to reduce the amount of claims. The training is being provided free of charge by PCAT.

BOARD ACTION REQUESTED:

Approval/Disapproval