



# UNITED INDEPENDENT SCHOOL DISTRICT AGENDA ACTION ITEM

**TOPIC** Renewal of the District Workers' Compensation Insurance Program

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

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

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

## RECOMMENDATION:

Staff has finalized review and negotiations of the renewal proposal submitted by the Texas Mutual Insurance Company and recommends acceptance of the proposal.

In June 2005 the District awarded a Workers' Compensation Insurance contract to Inscorp Inc. providing coverage through the Texas Mutual Insurance Company (TMI). Proposal was for five (5) one year contracts with year #1 at a fixed rate and years 2, 3, 4, and 5 to be negotiated annually and renewed at the discretion of the district. This proposal is for year 3 of 5 of the awarded contract.

## RATIONALE:

TMI is proposing a renewal rate of 13% above the current rate. This increase was caused by a mandated increase of rates for the 9101 and 8868 classification codes by the State of Texas. This represents a \$221,729 in annual premiums.

## BUDGETARY INFORMATION

Premiums included in the 2007-08 budget.

## BOARD POLICY REFERENCE AND COMPLIANCE:



NorthTown Professional Plaza • 6999 McPherson Ste. 108  
Laredo, Texas 78041

June 21, 2007

Mr. William Wallace Weatherford  
Risk Manager  
United ISD - By Hand  
Laredo, Texas 78041

Re: 2007—2008 Workers' Compensation Renewal  
Texas Mutual Insurance Company

Dear Mr. Weatherford:

We are pleased to provide you with your workers' compensation renewal premium for the 2007 to 2008, policy year.

Statutory Workers' Compensation Limit  
\$100,000/\$100,000/\$500,000 Employer's Liability Limit

Payroll Exposure:

\$25,209,688.00	8810 – Clerical Office Employees
\$28,256,179.00	9101 – School – All Other Employees & Drivers
\$162,859,797.00	8868 – School – Training to Various
\$216,325,664.00	Total Payroll

2007 NCCI Experience Modifier: .75

Premium: \$1,987,738.00

Payment Option: 30% Down Payment due at binding, with 3 quarterly installments

Thanks to you and to Mr. Chapa for the confidence you have placed in Inscorp, Inc., by the renewal of our annual contract over these past many years.

Sincerely,

Glen S. Jackson  
Inscorp, Inc.

CC: Joe Blasi-McGriff, Houston

2007-08 UISD  
Workers' Compensation  
Renewal Proposal

<b>*Rate Comparison</b>					
(Per \$100 of Payroll)					
Class Code	2005-06	2006-07	2007-08	Variance	
8810	\$0.39	\$0.39	\$0.39	0%	
9101	\$7.20	\$6.89	\$7.85	14%	
8868	\$0.97	\$0.93	\$1.01	9%	
<b><u>Covered Payroll</u></b>					
8810		\$ 16,587,712	\$ 25,209,688	52%	
9101		\$ 24,471,487	\$ 28,256,179	15%	
8868		<u>\$ 129,669,977</u>	<u>\$ 162,859,797</u>	<u>26%</u>	
	Total	\$ 170,729,176	\$ 216,325,664	27%	
<b>Premium</b>		\$ 1,766,009	\$ 1,987,738	13%	