

Denton ISD
TASB Property, School Liability, Privacy & Information Security and
Automobile Insurance Renewal
 April 26, 2022

SUMMARY:

This item requests approval of the Insurance Property Coverage, School Liability (Professional, General and Employee Benefit) Automobile Liability, Automobile Physical Damage, Privacy & Information Security and Violent Acts Coverage for Denton ISD effective July 1, 2022.

BOARD GOAL:

Growth & Management... In pursuit of excellence, we will:

- Adjust policies and procedures to address rapid growth and changing demographics, nurturing our strong sense of community
- Demonstrate effective and efficient management of district resources
- Provide leadership and/or oversight to ensure District meets all fiscal, legal and regulatory requirements

PREVIOUS BOARD ACTION:

On June 8, 2021, the Board approved the renewal of Texas Association of School Boards Risk Management Fund (TASB) as the District's insurance provider for this coverage.

BACKGROUND INFORMATION

- For 2021-2022, Denton ISD utilized the services of Russ Edwards via Financial Benefit Services to conduct a Request for Proposal (RFP) for Property Insurance including Property and Equipment breakdown, School Liability, Auto Coverage, Privacy & Information.
- For 2022-2023, a new RFP was issued utilizing the services of Robert V. Reim. The consultant used previously was unavailable this year, due to a merger between Financial Benefit Services and Higginbotham Insurance. Higginbotham was one of three carriers submitted to submit a proposal. There were three carriers who submitted a total of four proposals. The proposals were evaluated by a committee consisting of DISD employees.

SIGNIFICANT ISSUES:

- The Fund will provide replacement cost value up to \$500,000,000.
- It was recommended that we increase Extra Expense and Loss in Revenue coverage from \$500,000 to \$2,000,000 per occurrence. The additional premium of \$15,000 is reflected below.
- For 2022-2023 all Wind, Hurricane and Hail losses are subject to a maximum of \$2,500,000. For 2021-2022, a \$1,000,000 deductible applied to those losses with an additional deductible for Wind, Hurricane and Hail for buildings over 25,000 square feet.
- The Fund is again offering a Wind-Hail Deductible Buy Down option for Property program members who want to lower their wind-hail deductible from \$2,500,000 to \$1,000,000 per occurrence.
- The sublimit for wind/hail loss to single ply membrane roofs and accompanying roof systems remains \$5,000,000.

Property Coverage	2022-2023 Limit	2022-2023 Deductible	2021-2022 Limit	2021-2022 Deductible
All Perils except Wind, Hurricane, and Hail	\$500,000,000	\$500,000	\$500,000,000	\$500,000
Wind, Hurricane, and Hail*	\$500,000,000	\$2,500,000*	\$500,000,000	\$1,000,000
Extra Expense & Loss in Revenue	\$2,000,000	per underlying loss	\$500,000	\$500,000
Flood	\$2,000,000	\$500,000	\$2,000,000	\$500,000
Earthquake	\$2,000,000	\$500,000	\$2,000,000	\$500,000
Crime	\$100,000	\$50,000	\$100,000	\$50,000
Equipment Breakdown	\$100,000,000	\$500,000	\$100,000,000	\$500,000
Wind and Hail Deductible Buy Down		\$1,000,000		\$500,000

FISCAL IMPLICATIONS:

Category	2022-2023	2021-2022	Premium Change
Property including Equipment Breakdown	\$2,208,197	\$1,785,433	\$422,764
School Liability	\$242,503	\$225,224	\$17,279
Auto Liability	\$145,669	\$141,727	\$3,942
Auto Physical Damage	\$57,888	\$57,789	\$99
Privacy & Information Security	\$5,000	\$2,500	\$2,500
Extra Expense & Loss in Revenue	\$15,000	\$0	\$15,000
Total: Contribution and Property & Casualty	\$2,674,257	\$2,212,673	\$461,584
Wind and Hail Deductible Buy Down	\$537,000	\$179,000	\$358,000
Total with Endorsement	\$3,211,257	\$2,391,673	\$819,584

Including the cost of the Wind and Hail Deductible Buy Down, this is a total increase of \$819,584 over the 2021-2022 school year.

BENEFIT OF ACTION:

Approval of these coverages will provide security of the District’s assets.

PROCEDURAL AND REPORTING IMPLICATIONS:

The District is required to complete, sign, and return the Contribution & Coverage Summary prior to May 30, 2022, in order to avoid a lapse in coverage.

SUPERINTENDENT’S RECOMMENDATION:

Recommends the District approve the TASB Risk Management Fund proposal for the following coverages and term:

- Term: July 1, 2022 through June 30, 2023.
- \$500,000,000 million per occurrence limit for All Perils including Wind, Hurricane, and Hail.
- Crime, Equipment Breakdown, School Liability, Privacy & Information Security and Violent Acts.
- Automobile coverage with a liability deductible of \$2,500 per occurrence.
- Extra Expense and Loss in Revenue with an increased limit of \$2,000,000.
- Wind and Hail Deductible Buy Down endorsement.
- The combined total premium with TASB for all services referenced is **\$3,211,257**.

STAFF PERSONS RESPONSIBLE:

Dr. J. Scott Niven, Deputy Superintendent
Chris Bomberger, Executive Director of Risk Management, Benefits & Child Nutrition

ATTACHMENTS:

Denton ISD Contribution & Coverage Summary (CCS)
TASB Risk Fund Endorsement (Property Deductible Buy Down)
Consultant Letter regarding Property Casualty Insurance RFP Results

APPROVAL:

Signature of Staff Member Proposing Recommendation: _____

Signature of Divisional Leader: _____

Signature of Superintendent: _____