

No. \_\_\_\_\_



# UNITED INDEPENDENT SCHOOL DISTRICT AGENDA ACTION ITEM

TOPIC Awarding of Property & Casualty Insurance

SUBMITTED BY: Robert Chapa OF: Risk Management

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

DATE ASSIGNED FOR BOARD CONSIDERATION: March 20, 2013

**RECOMMENDATION:**

The current contract for property and casualty insurance will expire August 31, 2013. Staff has completed review of the districts insurance and recommends acceptance of the renewal proposal submitted by the present carrier Property Casualty Alliance of Texas (PCAT). The renewal proposal is for a fixed rate for 3 years.

**RATIONALE:**

PCAT is an organization created pursuant to the Interlocal Cooperation Act, Chapter 791, Title 7, of the Texas Government Code. Membership is made up totally of Texas school districts and participation is by interlocal agreement.

**BUDGETARY INFORMATION:**

**BOARD POLICY REFERENCE AND COMPLIANCE:**



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Property Casualty Alliance of Texas

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2013 Proposal

# United ISD

Presented by:

**Jerry Bravenec**

Carlisle Insurance Agency, Inc.

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Kingsville, TX 78363

877.595.5611 ♦ [jerryb@carlisleins.com](mailto:jerryb@carlisleins.com)

[pcatprogram.org](http://pcatprogram.org)



**Multi-Year Protection**

**3 Year Rate Guarantee:** Regardless of Losses

**Coverage Period:** Sep 1, 2013 - Sep 1, 2016

**Property**

	<u>Values</u>
Buildings	\$ 576,857,157
Contents	\$ 225,608,958
<b>Total</b>	<u>\$ 802,466,115</u>

**Deductibles**

Wind/Hail	\$ 40,000
All Other Perils	\$ 5,000

Replacement Cost  
 Blanket Coverage  
 No Co-Insurance Penalties

**Additional Property Coverage**

	<u>Limits</u>
Accounts Receivable	\$ 250,000
Back-Up: Sewers & Drains	\$ 25,000
Building Ordinance or Law	\$ 2,000,000
Debris Removal	\$ 250,000
Earthquake	\$ 1,000,000
Extra Expense	\$ 2,000,000
Foundations & Underground Pipes	\$ 100,000
Newly Acq/Const Bldgs-180 days	\$ 1,000,000
Outdoor Property	\$ 2,000,000
Outdoor Trees, Shrubs, Plants	\$ 25,000
Personal Effects & Prop of Others	\$ 507,404
Personal Prop at Newly Acquired Or Constructed Build-180 days	\$ 500,000
Pollution Cleanup & Removal	\$ 100,000
Spoilage	\$ 100,000
Utilities Services-Direct Damage	\$ 50,000
Valuable Papers & Records	\$ 250,000

**Inland Marine**

	<u>Limits</u>	<u>Deductible</u>
Audio Visual Equip	\$ 5,000,000	\$ 5,000
Band Equip, Uniforms & Musical Instruments	\$ 4,671,000	\$ 1,000
Electronic Data Proc Equip	\$ 8,250,000	\$ 5,000
Media & Data	Included	
Fine Arts	\$ 25,000	\$ 1,000
Miscellaneous Equipment	\$ 1,170,402	\$ 1,000
Personal Effects & Prop Of Others - Off Premises	\$ 100,000	\$ 1,000
Personal Prop in Transit	\$ 50,000	\$ 1,000
Property Off-Premises	\$ 100,000	\$ 1,000

**Equipment Breakdown**

	<u>Limits</u>	<u>Deductible</u>
Equipment Breakdown	\$ 100,000,000	\$ 5,000
Property	Included	
Off Premises Prop Damage	\$ 25,000	
Business Income/Extra Expense/Service Interrupt	\$ 1,000,000	
Contingent Bus Income	\$ 25,000	
Perishable Goods	\$ 100,000	
Demolition	\$ 100,000	
Ordinance or Law	\$ 100,000	
Expediting Expenses	\$ 100,000	
Hazardous Substances	\$ 100,000	
Newly Acquired Locations	\$ 1,000,000	
Green	\$ 25,000	

**Crime**

	<u>Limits</u>	<u>Deductible</u>
Employee Dishonesty	\$ 100,000	\$ 1,000
Money & Sec Inside Premium	\$ 50,000	\$ 1,000
Money & Sec Outside Prem	\$ 50,000	\$ 1,000
Fraudulent Instruction	\$ 50,000	\$ 1,000
Forgery & Alteration	\$ 50,000	\$ 1,000

**General Liability**

42,564 ADA  
 6,400 Employees

	<u>Limits</u>	<u>Deductible</u>
Each Occurrence	\$ 1,000,000	\$ 1,000
General Aggregate	\$ 1,000,000	
Law Enforcement Liability	\$ 1,000,000	\$ 10,000
Personal & Advertising Injury	\$ 1,000,000	\$ 1,000
Products/Completed Ops		
Aggregate	\$ 1,000,000	\$ 1,000
Property Off-Premises	\$ 100,000	\$ 1,000
Personal Prop in Transit	\$ 50,000	\$ 1,000

**Employee Benefits Liability**

6,400 Employees

	<u>Limits</u>	<u>Deductible</u>
Each Employee	\$ 1,000,000	\$ 1,000

Claims Made Reported Form  
 Retroactive Date 9/1/05

**Educator's Legal Liability**

42,564 ADA  
 6,400 Employees

	<u>Limits</u>	<u>Deductible</u>
<b>Prof Educational Services</b>		\$ 25,000
Each Professional Incident	\$ 1,000,000	
Prof Incident Aggregate	\$ 1,000,000	
<b>Employment Practices Liab</b>		\$ 25,000
Each Professional Incident	Comb w/Cov A	
Prof Incident Aggregate	Comb w/Cov A	
<b>Non-Pecuniary Defense</b>		\$ 25,000
Defense Reimbursement	\$ 100,000	
Defense Reimb Aggregate	\$ 300,000	

Claims Made Reported Form  
 Retroactive Date 4/1/2000

**Auto Liability**

628 Power Units  
 47 Trailers

	<u>Limits</u>	<u>Deductible</u>
<b>Liability</b>		
Bodily Injury-Per Person	\$ 100,000	
Bodily Injury-Per Accident	\$ 300,000	\$ 500
Property Damage-Per Acc	\$ 100,000	
Non-owned & Hired LL	BI/PD Limit	
<b>Uninsured/Under Motorist</b>		
Bodily Injury-Per Person	\$ 25,000	
Bodily Injury-Per Accident	\$ 50,000	\$ 500
Property Damage-Per Acc	\$ 25,000	
<b>Medical Payments</b>		
Per Person	\$ 5,000	
Per Accident	\$ 50,000	\$ 500

**Auto Physical Damage**

\$28,081,367 Total Cost New

	<u>Limits</u>	<u>Deductible</u>
<b>Physical Damage</b>		
Comp & Collision Coverage	See Schedule	\$ 1,000
Actual Cash Value		
<b>Newly Acquired Vehicles</b>		
Comp	\$ 100,000	\$ 1,000
Collision	\$ 100,000	\$ 1,000
<b>Hired Car Physical Damage</b>		
Comp	\$ 100,000	\$ 1,000
Collision	\$ 100,000	\$ 1,000



**Disaster Recovery**

PCAT / Agility Operational Disaster Recovery is a new benefit available exclusively to PCAT Members. This benefit provides priority access to critical items immediately following a disaster, whether it is a failed computer server or a direct hit from a tornado.



**Power**

Pre-Staged Generators Throughout the Country, as Well as Fuel Vendors



**Computer Systems**

Computers, Servers, Printers and Fax



**Office Space**

Mobile Offices Complete with Desks and Chairs



**Communications**

Telephone and Internet Access

**Employee Training**

Available to all your employees, PCAT University is an online platform which provides state-of-the-art training in bullying, promoting child-safe environments, harassment and discrimination prevention, workplace ethics and other critical training topics.

[pcatuniversity.org](http://pcatuniversity.org)

**PCAT School Bus Driver Training Course**

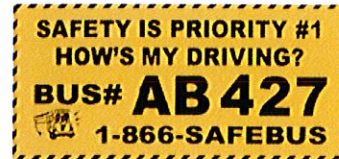
Available exclusively to PCAT Members, this program helps reduce unsafe driving behaviors by improving fundamentals that provide fewer opportunities for bus accidents. This comprehensive program includes:

- ✓ 15 DVD's and program posters
- ✓ Driver Study Guide
- ✓ Classroom Trainer's Guide
- ✓ Behind-the-Wheel Trainer's Guide



**SafeBus®**

SafeBus® is designed to enhance the safety of transporting our children by enabling community monitoring to provide organized fast-response data on bus driver performance.



**PCAT Bus Driver of the Year Award**

Each year, PCAT recognizes bus drivers who go above and beyond the call of duty - the driver that shows up early, stays late, helps out, perseveres, gets along with everyone, and handles that bus like a pro. There are 3 groups of recipients for PCAT Bus Driver of the Year Awards:

- ✓ One driver will be selected from each PCAT Member, and recognized as your school district's PCAT Bus Driver of the Year. Each recipient receives a personalized jacket and commendation.
- ✓ Five drivers will be selected as a PCAT Statewide Recognized Driver, with an additional commendation and a \$100 cash award.
- ✓ One exceptional driver will be selected as the PCAT Bus Driver of the Year receiving a \$1,000 cash award and commendation.

**Loss Prevention**

- ✓ Bus Driver Training (hands-on)
- ✓ White Fleet Training
- ✓ Facility Surveys
- ✓ Safety Video Library
- ✓ Fleet Safety Policies
- ✓ Employee Liability Training
- ✓ Bullying
- ✓ Gun in Schools



**Net Cost**

\$ 1,138,244	Gross Cost
<72,899>	Cash Dividends
<8,024>	Disaster Recovery
<7,680>	Loss Prevention
<6,400>	PCAT University
<5,617>	Property Valuations
<4,256>	SafeBus®
<3,750>	Bus Driver Training
<b>\$ 1,029,618</b>	<b>Net Cost</b>

Texas Government Code, Chapter 44

"...in determining to whom to award a contract, the district shall consider the **long-term cost** to the district to acquire the vendor's goods or services."

**Rate Stability: 3 Year Guarantee**  
**Regardless of Losses**

**Reinsurance**

Quality reinsurance is key to protecting the financial integrity of any program. PCAT's Reinsurers include the largest reinsurance companies in the world.

Landmark American	A	XIII
Lexington	A	XV
Liberty Surplus	A	XV
Lloyd's of London	A	XV
Munich Re	A+	XV

**PCAT Board**

PCAT is a non-profit program owned and governed by Texas school districts. PCAT Members are geographically represented by an elected Board of their peers.

Randy McDowell	Canyon ISD	806.677.2629
Michelle Faust	Round Rock ISD	512.464.5454
Robert Chapa	United ISD	956.473.6390
Lee McNair	Denison ISD	903.462.7036
George Talbert	Buna ISD	409.994.4806

**PCAT Program**

PCAT is the largest public school risk program in the United States devoted solely to property and casualty coverage.

122 Members  
 \$28.2 Million Annual Contributions  
**\$11.0 Million in Cash Dividends Since 2005**



**Notes**

1. Source: Insurance Information Institute. This chart illustrates the actual and inflation-adjusted premium changes in the commercial property and casualty insurance industry from 1975-2008.
2. PCAT Bus Driver Training Course retails at \$3,750 for each school district. PCAT University is valued at \$1.00 per employee. SafeBus® is valued at \$0.10 per student. PCAT Loss Prevention services are valued at \$1.20 per employee. Property Valuations are valued at \$0.0007 per \$100 TIV. Disaster Recovery is valued at \$0.001 per \$100 TIV.
3. \$72,899 is the average cash dividend received by UISD from 2003-2012. Future cash dividends are determined by the PCAT Board. PCAT is governed exclusively by elected school administrators.
4. PCAT package discounts result from a comprehensive strategy of insurance and loss prevention. Accordingly, PCAT provides a total contribution for all coverages. PCAT Members may allocate premiums according to their individual needs. For budgeting purposes, new buildings and contents will be added at a rate of \$0.0875.