

Denton ISD
Workers' Compensation Excess Insurance Approval
April 22, 2025

SUMMARY:

This item requests approval of Workers' Compensation Excess Insurance effective July 1, 2025.

BOARD VALUES

Growth & Management...In the pursuit of excellence, we value

- providing leadership and/or oversight to ensure Denton ISD meets all fiscal, legal, and regulatory requirements.
- demonstrating effective and efficient management of district resources.

Culture & Climate...In the pursuit of excellence, we value

- promoting health, wellness, and emotional well-being.

PREVIOUS BOARD ACTION:

On April 26, 2022, the Board approved a transition from Workers' Compensation Excess Coverage with a specific self-insured retention (SIR) to Workers' Compensation Coverage with an aggregate deductible provided by TASB Risk Management Fund (TASB RFM) to address claims increasing over previous years. On May 14, 2024, the district renewed its aggregate deductible coverage through TASB RFM, which included Administrative Services.

BACKGROUND INFORMATION

Over the past 12 months, Risk Management staff met with our insurance broker, Roach Howard Smith & Barton (RHSB) to evaluate its current insurance policy and discuss available policy types and service providers. During the workshop presentation on April 8, 2025, Chris Bomberger outlined a plan to transition back to a fully funded model to meet budgetary needs moving forward.

RHSB provided quotes to compare aggregate deductible and self-insured options from the marketplace. Based on the current needs of the District, the Risk Management department is presenting the option from Midwest Employers Casualty for workers' compensation excess coverage.

SIGNIFICANT ISSUES:

The Board approved Concentra on-site clinic to provide medical access to employees on February 14, 2023. Since approval, this has allowed the District to focus on the well-being of our employees and control costs associated with workers' compensation claims. This has provided the District with an opportunity to evaluate options for maximizing the use of the clinic and workers' compensation excess coverage.

As presented to the Board on April 8, 2025, during the plan year 2022-2023, workers' compensation claims exceeded the aggregate limit purchased. For plan year 2023-2024 and year-to-date 2024-2025, workers' compensation losses have not exceeded the aggregate deductible limit, but both premiums and aggregate deductibles have increased substantially. These factors, along with the continued successful use of the clinic, are the basis for recommending that the District transition back to excess coverage with specific self-insured retention.

FISCAL IMPLICATIONS:

Excess workers' compensation coverage with a specific self-insured retention protects the district against claims that exceed the retention within a policy year. The following fee schedule is proposed by Midwest Employers Casualty based on estimated annual payroll and will be adjusted based on actual payroll.

| Midwest Employers Casualty | |
|--|-----------|
| Self-Insured (Specific) Retention (SIR) | \$450,000 |
| Annual Premium | \$84,875 |

BENEFITS OF ACTION:

The approval of workers' compensation excess insurance will result in reduced policy costs, increase the district's ability to track and manage claims, and improve the fluidity of the Concentra on-site clinic.

PROCEDURAL AND REPORTING IMPLICATIONS:

In order to transition from TASB RMF to coverage with Midwest Employers Casualty through RHSB, the District must authorize coverage with Midwest Employers Casualty prior to June 30, 2025, and must provide TASB with a termination letter 30 days prior to June 30, 2025.

SUPERINTENDENT'S RECOMMENDATION:

Recommends the Board approve the Workers' Compensation Excess Insurance for one year with a term of July 1, 2025 through June 30, 2026 with Midwest Employers Casualty through RHSB and hereby authorize the superintendent or designee to facilitate binding coverage effective June 30, 2025 and termination of the TASB coverage, as required.

STAFF PERSONS RESPONSIBLE:

Dr. Jeremy Thompson, Deputy Superintendent
Chris Bomberger, Executive Director of Administrative Services
Sarah Johnson, Director of Benefits

ATTACHMENTS:

2025-04-22 Midwest Employers Casualty Proposal

APPROVAL:

Signature of Staff Member Proposing Recommendation: _____

Signature of Divisional Leader: _____

Signature of Superintendent: _____