

**RIVER ROAD INDEPENDENT SCHOOL DISTRICT
BOARD OF EDUCATION
AMARILLO, TEXAS**

Subject: Workers Compensation
Insurance Renewal

Date: Monday, June 24, 2013

Presented By: Mike Hodgson
Business Manager

Related Page(s): This page +2

ACTION

BACKGROUND INFORMATION:

We have received the renewal information for our Workers' Compensation Insurance program for 2013-2014 from Workers' Compensation Solutions (WCS).

Our costs are separated into two categories. The fixed administrative costs of \$24,230 remain the same. The cost of claims, which has averaged \$13,254 over the past ten years, has a cap in place. Claims above that cap are paid by WCS. Because of our claim experience, WCS has proposed that the cap on the claims that we would be responsible for paying be reduced 8.2% from \$37,605 to \$34,520 for the next five years.

We recommend continuing with WCS because of the favorable costs and because of three other factors. Those factors are:

1. The ability to receive cash refunds when our costs are lower than expected. Over the past ten years, our refunds have totaled \$11,304.
2. The Safety and Security Audits that WCS performs. Over the past ten years, the value of this service has totaled \$21,450.
3. The Shoes/Boots program where our service personnel receive slip resistant shoes annually at no cost. The value of this factor has been \$33,865 over the past ten years. Other programs that we have investigated only share this expense on a 50/50 basis.

Insurance consultants that I have talked to state that with the implementation of "Obamacare" we are fortunate to receive any reduction in the cap on our claims. Not only are healthcare costs related to general claims expected to increase, but the operating costs to insure employees within the healthcare and insurance industry are expected to increase, putting upward pressure on costs.

BOARD ACTIONS REQUESTED:

It is requested that the Board approve the renewal of our workers' compensation insurance and authorize the Business Manager, Mike Hodgson, to sign the agreement as River Road ISD's Authorized Representative.



Proposal Statement for River Road ISD

Member Value

2003—2013

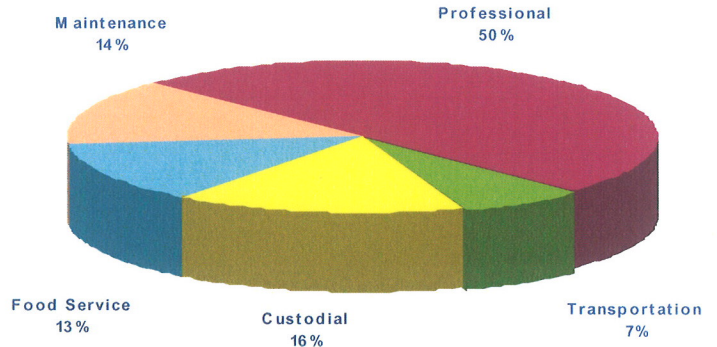
Cash Refunds	\$ 11,304
MLF Reductions	\$ 5,365
*Safety and Security Audits	\$ 21,450
*Shoes / Boots PPE	\$ 33,865
TOTAL	\$ 71,984

* Funded through Member Equity

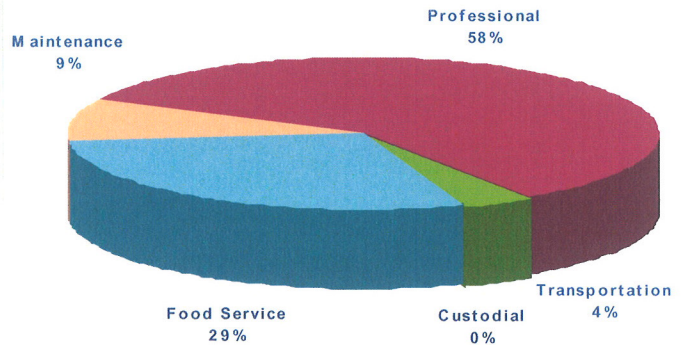
2013 Estimated Payroll

7380 — Bus Driver	\$ 105,144
8810 — Clerical	\$ 758,104
8868 — Professional	\$ 5,915,987
9101 — Other	\$ 487,064
TOTAL	\$ 7,266,299

Program Claims Activity



River Road ISD Claims Activity



2013 Estimated Cost	Best Year	Average Year	Worst Year
Fixed Cost	\$24,230	\$24,230	\$24,230
Claims	\$1,823	\$13,254	\$34,883
Total	\$26,053	\$37,484	*\$58,750

WCS will pay any claims in excess of **\$34,520 for a five year renewal** based on current estimated payroll.

* Member only pays claims up to Maximum Loss Fund

Resources and Services



Stay Alert: State mandated, anonymous threat reporting mechanism for students and faculty



Safety and Security Audits: WCS funded the completion of all state mandated safety and security audits on behalf of Members



Personal Protective Equipment: WCS Members receive equipment for eye, head, back, hand and respiratory protection at no additional cost



Shoe Mobile: Annual distribution of free work boots and slip-resistant shoes for all service personnel



Healthy U: Designed to help increase employee's health and safety habits by tracking and rewarding their commitment to living a healthy lifestyle



Employee Training: On-site, interactive loss prevention training for all of your employees in both English and Spanish



Well~Connected Newsletter: A quarterly, four-page wellness and safety newsletter that can be distributed to all employees