

# Approval of Student/Athletic Insurance 2009-2010

June 23, 2009

## **SUMMARY:**

This item requests approval of the Student/Athletic Insurance Proposal for 2009-2010.

## **BOARD GOAL:**

VI. Growth & Change.....In pursuit of excellence, the District will:

- a. Review and adjust policies and procedures effectively to address the challenges of rapid growth and changing demographic characteristics while maintaining and enhancing our strong sense of community

## **PREVIOUS BOARD ACTION:**

On June 24, 2008, the Board approved Bene-Marc, Inc. as the company providing student insurance with Hartford and AIG as the carriers and John Wilson as agent.

## **BACKGROUND INFORMATION:**

According to Attorney General Opinion DM418 (1996) insurance is included in the term "personal property". Purchases in excess of \$25,000 must be purchased according to the purchasing methods available in section 44.031 of the Education Code.

## **SIGNIFICANT ISSUES:**

Five proposals were received for Student Accident Insurance. All proposals covered heat exhaustion as any injury.

- Bene-Marc, Inc.
- Texas Kids First
- GM-Southwest, Inc.
- John Crook, CLU, ChFC – Did not bid UIL Athletic
- The Baker Agency, Inc. – Did not bid UIL Athletic and Catastrophic Coverage

## **FISCAL IMPLICATIONS:**

The premium offered by Bene-Marc, Inc. is \$97,044 (\$91,728 plus \$5,316 for catastrophic coverage). The rate for 2008-2009 was \$77,440. This is an increase of \$19,604. The premium offered by GM-Southwest, Inc. is \$87,767 (\$81,000 plus \$6,767 for catastrophic coverage), a difference of \$10,327 over the premium rate for 2008-2009.

The District contacted two school districts that are served by GM-Southwest. CFB ISD has used GM-Southwest since 1996 and will renew at their June board meeting, stating that they receive excellent service. HEB ISD has used GM-Southwest for many years receiving great service and have no complaints.

Santa Fe ISD is no long serviced by GM-Southwest, due to financial constraints. Claims were paid timely when GM-Southwest was the insurance provider.

## **BENEFIT OF ACTION:**

Provide coverage for 2009-2010 school year.

## **PROCEDURAL AND REPORTING IMPLICATIONS:**

Coverage is required for August 1, 2009.

## **ALTERNATIVES:**

Approve one of the alternate companies to provide student insurance.

## **SUPERINTENDENT'S RECOMMENDATION:**

Recommend approval of GM-Southwest, Inc as the company providing student insurance with Pan American and AIG as the carriers with John Gutschlag as agent.

**STAFF PERSONS RESPONSIBLE:**

Debbie Monschke, Executive Director of Budget and Finance

**ATTACHMENT:**

Bid Tabulation

Response to Questions

**APPROVAL:**

Signature of Staff Member Proposing Recommendation: \_\_\_\_\_

Comments: \_\_\_\_\_

Signature of Divisional Leader: \_\_\_\_\_

Comments: \_\_\_\_\_

Signature of Superintendent: \_\_\_\_\_

Comments: \_\_\_\_\_