

Workers Compensation Third Party Administrator and Stop Loss Coverage

June 23, 2009

SUMMARY:

This item requests renewal of the Workers Compensation Third Party Administrator and Stop Loss Coverage for the second year of the two year policy.

PREVIOUS BOARD ACTION:

The Board approved the recommendation of the Texas Association of School Boards for Administrative Services Only for the Workers Compensation Fund on December 12, 2006. This inter-local agreement is renewed annually.

BACKGROUND INFORMATION:

On June 24, 2008 the District opted to continue with TASB Risk Fund for Workers' Compensation – Administrative Services Only and accepted the Midwest Employers Casualty, option #2, two year term, for stop loss coverage with the \$450,000 retention and \$1,000,000 aggregate retention. The premium was \$131,314, which included the cash flow protection limit of \$180,000 for the first year, \$120,000 for the second year and \$100,000 for the third year.

SIGNIFICANT ISSUES:

The premium and coverage will be the same as previous year as current policy is effective until 7/01/2010 upon approval of this renewal. (Policy # EWC007459)

FISCAL IMPLICATIONS:

The recommended stop loss premium is \$131,314 including the cash flow coverage. This option includes a specific retention of \$450,000 and an aggregate retention of \$1,000,000 for a period of two years. The proposed Program Administrative fees will remain at \$9,600 annually. Claims Administration fees will remain as follows:

	Rate
Indemnity Claim	\$598 per claim
Medical Claim	\$ 98 per claim
Record Claim only	\$ 20 per claim

Other cost containment fees and loss prevention services are included on the Contribution and Coverage Summary.

Currently our district continues benefits during holiday breaks. A change in the law allows us to stop benefits for actual holiday breaks.

BENEFIT OF ACTION:

The approval of stop loss coverage will protect the District in the event of a catastrophic event.

PROCEDURAL AND REPORTING IMPLICATIONS:

None

SUPERINTENDENT'S RECOMMENDATION:

Recommend that the District continue with TASB Risk Fund for Workers' Compensation – Administrative Services Only and accept the MidWest Employers Casualty, renewal for the second year of the two year term which includes a specific retention of \$450,000 and an aggregate retention of \$1,000,000. The district also elects to continue weekly benefits during holiday breaks.

STAFF PERSONS RESPONSIBLE:

Debbie Monschke, Executive Director Administrative Services

ATTACHMENT:

TASB – Contribution and Coverage Summary
Midwest Employers Casualty Company - Binder

APPROVAL:

Signature of Staff Member Proposing Recommendation: _____

Comments: _____

Signature of Divisional Leader: _____

Comments: _____

Signature of Superintendent: _____

Comments: _____