

Workers Compensation Third Party Administrator and Stop Loss Coverage

May 28, 2013

SUMMARY:

This item requests renewal of the Workers Compensation Third Party Administrator and Stop Loss Coverage.

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 12, 2012 the District opted to continue with TASB Risk Fund for Workers' Compensation – Administrative Services Only and Safety National Casualty Corporation for stop loss coverage with the \$500,000 specific self-insured retention/\$1,000,000 aggregate retention and \$1,000,000 aggregate excess limit. The Stop Loss premium was \$58,484.00.

SIGNIFICANT ISSUES:

The Fund has decided to continue the same 2012-13 claim fees and program administration fees for the 2013-14 plan year. However, medical cost inflation, low return on investments, and losses industry wide, are major factors in the rate increase for Denton ISD's Stop Loss Coverage.

FISCAL IMPLICATIONS:

Stop Loss - The fund has proposed Stop Loss Coverage with a premium of \$68,830. This includes a specific self-insured retention of \$500,000/\$1,000,000 aggregate retention and an aggregate excess limit of \$1,000,000.
Administrative Services - The proposed Program Administration fees will remain at \$9,600 annually. Claims Administration fees will remain as follows:

	Rate
Indemnity Claim	\$ 650 per claim
Medical Claim	\$ 110 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. The law allows us to stop benefits for actual holiday breaks.

PROCEDURAL AND REPORTING IMPLICATIONS:

Sign and return TASB's Contribution and Coverage Summary.

SUPERINTENDENT'S RECOMMENDATION:

Recommend that the District continue with TASB Risk Fund for Workers' Compensation – Administrative Services Only and Safety National Casualty Corporation Stop Loss Coverage with a specific self-insured retention of \$500,000/\$1,000,000 aggregate retention and an aggregate excess limit of \$1,000,000 with a combined total premium of \$78,430. The district also elects to continue weekly benefits during holiday breaks.

STAFF PERSONS RESPONSIBLE:

Debbie Monschke, Assistant Superintendent of Administrative Services

ATTACHMENT:

TASB –Contribution and Coverage Summary
Safety National Casualty Corporation – Excess Workers' Compensation Quotation
Denton ISD Aggregate Excess Comparison
MAP Brochure

APPROVAL:

Signature of Staff Member Proposing Recommendation: _____

Comments: _____

Signature of Divisional Leader: _____

Comments: _____

Signature of Superintendent: _____

Comments: _____