



# UNITED INDEPENDENT SCHOOL DISTRICT AGENDA ACTION ITEM

**TOPIC** Renewal of the District Workers' Compensation Insurance Program

**SUBMITTED BY:** Robert Chapa **OF:** Risk Management

**APPROVED FOR TRANSMITTAL TO SCHOOL BOARD:** \_\_\_\_\_

**DATE ASSIGNED FOR BOARD CONSIDERATION:** June 9, 2009

## RECOMMENDATION:

Staff has finalized negotiations for the renewal proposal submitted by the Texas Mutual Insurance Company and recommends acceptance.

On June 2005 the District awarded the Workers' Compensation Insurance contract provided by Texas Mutual Insurance (TMIC) through Inscorp Insurance, Inc. Proposal was for five (5) one year contracts with year #1 at a fixed rate and years 2, 3, 4, and 5 to be negotiated annually and renewed at the discretion of the district. This proposal is for year 5 of 5 of the awarded contract.

## RATIONALE:

TMIC is proposing a renewal rate of +2.39 % above the 2008-2009 insurance rates. Staff believes the rate accurately reflects medical cost increases and the district loss ratio.

## BUDGETARY INFORMATION

Premiums included in the 2009-10 budget.

## BOARD POLICY REFERENCE AND COMPLIANCE:

**IBC**  
**INSURANCE**  
**AGENCY**

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June 1, 2009

Naomi Velarde, CSRM  
U.I.S.D.  
Claims Specialist  
Risk Management Dept.  
201 Lindenwood Dr.  
Laredo, Texas 78045

Re: 2009-2010 Workers' Compensation Renewal  
Texas Mutual Insurance Company

Dear Ms. Velarde:

We are pleased to provide you with your workers' compensation renewal premium for the 2009 to 2010, policy year.

Statutory Workers' Compensation Limit  
\$100,000/\$100,000/\$500,000 Employer's Liability Limit

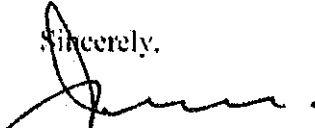
Payrolls	Rates	Codes
\$32,850,665	(0.175268645)	8810 - Clerical Office Employees
\$31,068,130	(3.527494183)	9101 - School - All Other Employees & Drivers
\$171,200,266	(0.456576163)	8868 - School - Training to Various
\$235,119,061	Total Payroll	

Premium: \$2,029,137

Deposit payment \$608,741

Thanks to you and to Mr. Chapa for the confidence you have placed in IBC Insurance Agency LLC, and by the renewal of our annual contract over these past many years.

Sincerely,



Glen S. Jackson  
IBC Insurance Agency LLC

2009-10 UISD  
Workers' Compensation  
Renewal Proposal

<b>*Rate Comparison</b>				
(per \$100 of Payroll)				
<b>Class Code</b>	<b>2007-08</b>	<b>2008-09</b>	<b>2009-10</b>	<b>Percent Change +/-</b>
8810	\$0.1957	\$0.1712	\$0.1753	2.39%
9101	\$3.9387	\$3.4452	\$3.5275	2.39%
8868	\$0.5068	\$0.4459	\$0.4566	2.39%

**Covered Payroll**

8810	\$25,209,688	\$29,608,483	\$32,850,665	11%
9101	\$28,256,179	\$34,341,696	\$31,068,130	-10%
8868	\$162,859,797	\$157,282,107	\$171,200,266	9%
Total	\$216,325,664	\$221,232,286	\$235,119,061	6%
<b>Premium</b>	\$1,987,738	\$1,935,163	\$2,029,137	\$93,974