

Denton ISD
Property, School Liability, Privacy & Information Security, Automobile Insurance and Workers’
Compensation Administrative Services Program and Excess Coverage
 June 09, 2020

SUMMARY:

This item requests approval of the Property, School Liability, Privacy & Information Security, Automobile Insurance Coverage and Workers’ Compensation Administrative Services Program and Excess Coverage for Denton ISD effective July 1, 2020.

BOARD GOAL:

Growth & Management... In pursuit of excellence, we will:

- Adjust policies and procedures to address rapid growth and changing demographics, nurturing our strong sense of community
- Demonstrate effective and efficient management of district resources
- Provide leadership and/or oversight to ensure District meets all fiscal, legal and regulatory requirements

PREVIOUS BOARD ACTION:

On May 28, 2019, the Board approved the renewal of Texas Association of School Boards Risk Management Fund (TASB) as the District’s insurance provider for this coverage.

BACKGROUND INFORMATION:

For 2019-2020, TASB applied a Wind, Hurricane and Hail Loss coverage sub-limit of \$3,000,000 per occurrence, to all single-ply membrane roofs. TASB requires a \$100,000 deductible per building over 25,000 square feet sustaining damage, up to a maximum deductible of \$2.5 million per occurrence, inclusive of the current Wind, Hurricane and Hail deductible of \$500,000. Automobile Liability deductible increased from \$1,000 to \$2,500 per occurrence.

SIGNIFICANT ISSUES:

- **Property including Equipment Breakdown:**
 - TASB has contracted with Duff & Phelps to do appraisals for all DISD locations. The blanket replacement cost is adjusted annually based on construction costs in the market, as well as changes submitted to TASB as needed.
 - With the additions of The Cupboard Technology Building, AG Facility Fish Trap Road, Strickland MS Phase 1, our blanket property coverage amount has increased by \$132,412,726 to \$1,331,891,194 for 2020-2021.
 - For 2020-2021, TASB will increase the Wind, Hurricane and Hail Loss coverage sub-limit of \$3,000,000 to \$5,000,000 per occurrence, to all single-ply membrane roofs.
- **Professional Liability**
 - Deductible per occurrence increased from \$10,000 per occurrence to \$25,000.
- **School Crisis (Active Shooter):**
 - Coverage with a limit of \$250,000 has been added with no deductible.

FISCAL IMPLICATIONS:

Category	ANNUAL PREMIUM:	
	2020-2021	2019-2020
Property including Equipment Breakdown	\$1,531,675	\$1,211,474
School Liability	\$192,388	\$143,946
Auto Liability	\$128,304	\$99,660
Auto Physical Damage	\$48,149	\$35,051
Total: Contribution and Property & Casualty	\$1,900,516	\$1,490,131

This is an increase of \$410,385 over the 2019-2020 school year.

Workers' Compensation Administrative Services Program and Excess Coverage:

ANNUAL PREMIUM:

Category	2020-2021	2019-2020
Administrative Services Only (includes Actuarial and Loss Prevention Services)	\$15,500	\$13,500
Excess Workers' Compensation Coverage	\$109,963	\$99,002
Total for Administrative Services and Excess Workers Compensation:	\$125,463	\$112,502
New Indemnity Claim – Rate Per Claim	\$775	\$725
New Medical Claim – Rate Per Claim	\$150	\$125
New Record Only Claim – Rate Per Claim	\$20	\$20

Total contribution for ASO and Excess Workers' Compensation is \$125,463 which is an increase of \$12,961 over the 2019-2020 school year.

BENEFIT OF ACTION:

Approval of these coverages will provide security of the District's assets.

PROCEDURAL AND REPORTING IMPLICATIONS:

The District is required to complete, sign, and return the Contribution & Coverage Summary & Workers Compensation prior to June 30, 2020, in order to avoid a lapse in coverage.

SUPERINTENDENT'S RECOMMENDATION:

Recommends the District approve the TASB Risk Management Fund proposal for the following coverages and term:

- Term: July 1, 2020 through June 30, 2021.
- \$1,331,891,194 Blanket Replacement Cost Limit for property, which includes the additions of The Cupboard Technology Building, Ag Facility Fish Trap Road, Strickland MS Phase 1 with a \$500,000 deductible for wind, hurricane and hail, subject to a maximum deductible for the occurrence of \$2,500,000, and a \$100,000 deductible for all other perils. All locations with single-ply roofs will have a sublimit for Wind, Hurricane and Hail Losses of \$5,000,000 per occurrence.
- Equipment Breakdown, School Liability and Privacy & Information Security and Active Shooter coverage.
- Automobile coverage with a liability deductible of \$2,500 per occurrence.
- Workers' Compensation – Administrative Services Only with optional services for Annual Actuarial Review and Loss Prevention Services. The law allows us to stop benefits for actual holiday breaks. Only those employees who were normally scheduled to work during these times will receive benefits.
- Safety National Casualty Corporation Excess Workers' Compensation Coverage with a \$500,000 specific self-insured retention and \$1,000,000 aggregate excess limit.
- The combined total fees paid to TASB for all services is **\$2,025,979**.

STAFF PERSONS RESPONSIBLE:

Dr. Scott Niven, Chief Financial Officer
Chris Bomberger, Executive Director of Risk Management, Benefits & Child Nutrition

ATTACHMENTS:

- 2020-06-09 Denton ISD 2020 ALPWC CCS Renewal
- 2020-06-09 TASB Comparison of Property & Casualty Insurance Rates 2020-2021
- 2020-06-09 Excess Workers' Compensation Rate Comparison
- 2020-06-09 Alliant Excess Workers Compensation Insurance Proposal 2020-2021

APPROVAL:

Signature of Staff Member Proposing Recommendation: _____
Signature of Divisional Leader: _____
Signature of Superintendent: _____