

Property, School Liability, Privacy & Information Security and Automobile Insurance
May 22, 2018

SUMMARY:

This item requests approval of the Property, School Liability, Privacy & Information Security and Automobile Insurance Coverage for Denton ISD effective July 1, 2018.

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 and
 - e. Demonstrate effective and efficient management of district resources

PREVIOUS BOARD ACTION:

On May 23, 2017, the Board approved the Texas Association of School Boards Risk Management Fund (TASB) as the District's insurance provider for this coverage.

BACKGROUND INFORMATION:

The Texas Association of School Boards Risk Management Fund has been the provider for the District's coverage since 2001.

SIGNIFICANT ISSUES:

- With the additions of Rodriguez Middle School, the Bill Giese Professional Support Services Building, the recent purchase of the building at 401 S. Elm, renovations of softball fields at Ryan High and Denton High, the addition of personal property coverage for our non DISD Adult Ed locations, as well as various campus replacement cost adjustments, our blanket property coverage amount has increased by \$83,113,031 from 2017-2018. The blanket replacement cost will increase with the completion of additions at Guyer High School, as well as renovations at other facilities at no additional cost in premiums until renewal in 2018-2019.
- Due to natural disaster losses across the state in recent years, TASB now requires an additional deductible(s) for Wind, Hurricane and Hail of \$50,000 per building over 25,000 square feet sustaining damage, up to a maximum deductible for the occurrence of \$1,000,000, inclusive of the current Wind, Hurricane and Hail deductible of \$500,000.
- Crime coverage of \$100,000 with a \$50,000 deductible and Equipment Breakdown coverage of \$100,000,000 with a \$100,000 deductible are included in the total premium contribution for 2018-2019.
- Privacy & Information Security coverage with limits of \$100,000 Privacy Liability, \$100,000 for Claim/Event Response Services with notification costs for up to 10,000 with no deductible is included in the total premium contribution for 2018-2019.
- The District is seeking additional flood coverage for property owned that falls in Zone AE.

FISCAL IMPLICATIONS:

TASB submitted the following renewal proposal:

- **\$1,141,566,119 Blanket Replacement Cost** on buildings, personal property and auxiliary structures with a \$500,000 deductible for wind, hurricane and hail, subject to a maximum deductible for the occurrence of \$1,000,000. and a \$100,000 deductible for all other perils. Crime has a \$50,000 deductible.
- School Liability has a \$10,000 deductible, Automobile coverage has a \$1000 deductible and Privacy & Information Security coverage has no deductible.
- Total Premium Contribution of \$1,261,086 is an increase of \$261,280 for the property portion and \$12,538 for other lines of coverage, for a total increase of \$273,818 for the 2018-2019 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 prior to June 30, 2018, 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, 2018 through June 30, 2019.
- \$1,141,566,119 Blanket Replacement Cost Limit for property with a \$500,000 deductible for wind, hurricane and hail, subject to a maximum deductible for the occurrence of \$1,000,000, and a \$100,000 deductible for all other perils. Crime has a \$50,000 deductible.
- A premium of \$1,011,713 for Property, \$133,002 for School Liability, and \$116,371 for Automobile Coverage for a total contribution of \$1,261,086 for the 2018-2019 school year.

STAFF PERSONS RESPONSIBLE:

Debbie Monschke, Assistant Superintendent of Administrative Services

ATTACHMENTS:

TASB-CCS Property, School Liability, Privacy & Information Security and Automobile Insurance Section only
Comparison of Insurance Premiums

APPROVAL:

Signature of Staff Member Proposing Recommendation: _____

Comments: _____

Signature of Divisional Leader: _____

Comments: _____

Signature of Superintendent: _____

Comments: _____