



May 1, 2014

Mrs. Debbie Monschke
Denton ISD
1307 N Locust
Denton, TX 76201-3037

Re: 2014-15 TASB Risk Management Fund Renewal Proposal

Dear Mrs. Monschke:

The TASB Risk Management Fund (Fund) is pleased to present your 2014-15 renewal proposals. This year, we are sending renewal proposals for all of your coverages with a common renewal date in this single, combined renewal packet. Enclosed are the Contribution and Coverage Summaries (CCS) for each program in which you participate. If you are interested in receiving a quote for a program you don't currently participate in, please let us know. We will be happy to provide one.

The enclosed renewals represent the Fund Board's continued commitment to use the Fund's financial and membership strength to keep costs as low as possible, while enhancing both coverage and service for Fund members. This year's renewals reflect the following:

- Unemployment Compensation costs have decreased for all pool members.
- Most Fund members will see either no change or a decrease in their overall contribution costs.
- For those members whose claims experience warrants an increase in contributions, the increases have been capped at 5%.
- Equipment breakdown coverage continues to be offered as part of the Fund's Property program at no extra cost. Other coverages have been expanded and are now being offered at no cost to members. More information about those enhancements is provided below.
- Recent tragedies in Texas and Oklahoma resulting in widespread destruction to school property have raised questions about how the Fund's coverage would respond in similar situations. As in the past, the Fund's property coverage is offered on a "blanket limits" basis, with no per structure limit of coverage. Further, to ensure that each member has adequate total limits, the Fund has a partnership with American Appraisal to conduct physical appraisals of all Fund member properties every four years. These appraisals are provided at no cost to Fund members.

One of the most significant enhancements included with this year's renewal are revised Coverage Agreements for the Fund's Auto, Liability, and Property programs. The Coverage Agreements have been rewritten to make them simpler to read and easier to understand. The new Coverage Agreements and a summary of the changes to the Agreements are included with this renewal packet. Members can access the revised Coverage Agreements behind the MyTASB log-in at www.tasbrmf.org. The following are highlights of some of the major features contained in the new Agreements:

- The new Agreements take effect for coverage renewing on or after September 1, 2013.
- Each coverage program (i.e. Property, Auto, and Liability) has its own stand-alone agreement.
- Crime coverage is now included with the Fund's Property program and is offered at no additional cost. As a result, the Fund is discontinuing its stand-alone crime coverage program.
- The Property program has been expanded to offer all members Flood and Earthquake coverage for qualifying properties of \$2,000,000 at no extra cost.

Mrs. Debbie Monschke

May 1, 2014

Page 2

- Specified Perils coverage under the Fund's Auto program has been discontinued and replaced with Comprehensive coverage, again at no additional cost.
- EDP coverage, previously provided as an endorsement with an additional charge, is now included with Property coverage at no additional cost and has been expanded to include up to \$50,000 for the cost of replacement or recovery of data or records.
- The General Liability and Professional Legal Liability coverages have been combined into a comprehensive liability coverage agreement to ensure no gaps in coverage. The Fund will no longer offer these programs on a stand-alone basis.
- Coverage for sexual misconduct is no longer sublimited. Full limits for sexual misconduct claims are now included in the Liability program at no additional charge.
- The definition of covered person has changed in the Auto Liability coverage agreement. Coverage is limited to the Fund Member, any trustee, school board member, student teacher, volunteer, or employee of the Fund Member while acting within the course and scope of their duties of employment; or a student of the Fund Member (only while the student is operating a Fund Member-owned or leased covered automobile with the permission of an employee).

Please review the attached documents, carefully and let us know if you have any questions. To renew coverage, please date and sign the CCS(s) and return all pages of the original documents via email to tasbrmf@tasbrmf.org or by regular mail to TASB Risk Management Fund, Program Administration Department, and P.O. Box 301, Austin, Texas 78767-0301. Once we have received your signed documents, we will countersign and send you a copy of the fully executed CCSs for your records. **Please remember that in accordance with the terms of your Interlocal Participation Agreement, coverage automatically renews under the new terms and conditions unless we receive a written notice of termination no later than 30 days prior to your renewal date.**

We are delighted to have the opportunity to present this renewal proposal which reflects the Fund's continued commitment to the Fund Five "S" Difference—strength, stability, savings, service and simplicity. I will be contacting you in the coming days to schedule a time to go over your renewal proposal and answer any questions you might have. Thank you for your membership in the TASB Risk Management Fund. We look forward to another successful year!

Sincerely,



Scot Parnell, CSRM
Risk Management Consultant
Risk Management Services
Texas Association of School Boards, Inc.

TASB RISK MANAGEMENT FUND
Workers' Compensation Administrative Services Only Program
Contribution & Coverage Summary (CCS)

Denton ISD

Participation Period: July 1, 2014 through June 30, 2015

CLAIMS & ADMINISTRATIVE FEES

General Administrative Services	\$3,000 annually
New Indemnity Claim	\$650 per claim
New Medical Claim	\$110 per claim
New Record Only Claim	\$20 per claim

OPTIONAL SERVICES & FEES

Annual Actuarial Review \$4,500

Loss Prevention Services Package \$4,500 annually
Loss Prevention Services include a customized service plan, safety consultations and loss history reviews, safety training and presentations, hazard and exposure surveys of facility and work areas. Employee safety handbooks are available at cost.

Seasonal Benefit Adjustments

Adjustments are made during the summer break; self-insured Fund Members can decide to adjust weekly workers' compensation Temporary Income Benefits to zero during specific holidays. The Fund Member elects to stop/reduce weekly benefits during the selected breaks:

Spring Break Yes No Thanksgiving Break Yes No Winter Break Yes No

FEES ALLOCATED TO THE CLAIM FILE

Claim Fees

Representation for BRCs, CCHs and SOAHs hearings and other regulatory representation	Prevailing judicial rates
Subrogation	Attorney assigned - 33%+expense
External Investigations	At cost
Legal Fees (regulated by DWC)	Per attorney rates

Cost Containment Fees

Pre-authorizations (RN)	\$80 per pre-authorization
Pre-Authorizations (Physician)	\$80 per pre-authorization + time/expense
External Case Management (ECM)	\$80/hour
ECM Travel & Waiting Time	First two hours at fee, \$40/hour thereafter
Bill Review	\$6.50 per bill
Peer Review by Physician Advisor	Time & expense

This is not an invoice. An invoice will be emailed to the program coordinator and is payable within 30 days of receipt.

DEFINITIONS, TERMS & CONDITIONS

Claim and Cost Containment Fees: The majority of claims administrative costs are included in the claims administrative fees. Fees not included are allocated to the claim file and are passed through at prevailing rates.

Indemnity Claim: An injury where the employee has experienced more than seven days of compensable lost time, reduced wages for more than one week, incurred substantial medical treatment, compensability is questionable, involves subrogation or has reported an occupational illness, even if the employee has not missed any time from work.

Medical Claim: An injury requiring minor medical treatment and no more than seven days of compensable lost time.

Record Only Claim: An injury or incident without lost time requiring no medical treatment.

Run-In Claims Administrative Services: Run-In Claims are existing claims carried over from the previous administrator and transferred to the Fund for administration. A Detail Claim list itemizing all run-in claims, including the open/close status, is incorporated into this agreement. A Run-In Claim File Transfer Schedule will be developed upon program implementation. There is a one-time fee for initial data load for run-in claims. The initial transportation of open claim hard copy files is at cost.

Loss Prevention Services: Loss Prevention Services includes access to online standard loss prevention reports, online Loss Prevention Manual and Loss Prevention Safety Kits, and use of the Loss Prevention video and DVD resource library. Optional services are available.

Stop Loss Coverage: Fund Member will obtain its own stop loss coverage. The Fund may assist the Fund Member with stop loss placement. The Fund Member will reimburse the Fund for any stop loss premium payments made on behalf of the Fund Member within 30 days of receipt of an invoice. Stop loss premiums will be determined by the stop loss carrier and are not guaranteed by the Fund.

Claims Reporting: Fund Member will timely provide to the Fund all reports and filings required of an employer by the laws and regulations dealing with workers' compensation coverage in Texas (the Act). Any fines levied against the Fund for Fund Member's failure to comply with rules and regulations in the Act will be the sole responsibility of the Fund Member. If the Fund advances payment of any fine or penalty, Fund Member agrees to reimburse the Fund for all such costs.

Benefit Limits: Workers' Compensation benefits paid to Fund Member's employees under this Agreement will be as defined in the Act. The Fund is responsible for claims payments as reflected in this CCS. This Agreement does not cover the defense of any suit or claim against a Fund Member except a workers' compensation claim by an eligible employee or former employee of Fund Member for the payment of statutory workers' compensation benefits.

Subrogation: The Fund will provide subrogation recovery services to Fund Member. Fund Member will be entitled to recovered amounts and retains the right of final litigation-related settlement decisions, including subrogation.

Cooperation: Fund Member agrees to use the Fund's contractors for services related to the administration of claims and to follow the Fund's election under Section 504.053 of the Labor Code to direct care through the Political Subdivision Workers' Compensation Alliance.

Termination: This CCS may be terminated by either party with termination to be effective on any successive renewal date by giving written notice to the other party no later than 30 days prior to automatic renewal in accordance with Section 4(a) of the Interlocal Participation Agreement.

Payment: Fund Member agrees to pay the Fund each week an amount equal to the actual paid workers' compensation claim amounts from the previous week. The Fund Member also agrees to pay the Fund each month a claims fee and a prorated amount of the annual administrative charges as shown in the CCS. The claims fee is applicable to each claim reported that is subsequently assigned a claim

number to include indemnity, medical only, and report only claims. The Fund Member agrees to pay these amounts upon receipt of an invoice. Claims will only be handled while the Fund Member participates in the Fund's WC ASO program. Fund Member agrees to reimburse the Fund for all workers' compensation claims paid on Fund Member's behalf up to the time all workers' compensation files are transferred to Fund Member with a transfer release. All payments by Fund Member will be made through an ACH transfer.

Coordinator:

The Fund Member is required to designate a Program Coordinator (Coordinator) with express authority to represent and bind the Fund Member in all Workers' Compensation program matters. If a Coordinator's name and contact information is not provided below, the currently designated Coordinator and contact information will remain in effect.

_____ Name of Coordinator	_____ Coordinator title
_____ Coordinator address	_____ City, state, and zip
_____ Coordinator phone	_____ Coordinator fax
	_____ E-mail address

Fund Member:

I certify that this information is correct. I affirm that I am duly authorized to sign this Contribution & Coverage Summary. Furthermore, I certify that I have read and agree to this Contribution & Coverage Summary and the Interlocal Participation Agreement.

_____ Authorized signature	_____ Date
_____ Printed name	_____ Title

TASB Risk Management Fund:

_____ James B. Crow, Secretary	_____ Date
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SUMMARY OF COVERAGE AGREEMENT CHANGES, ENHANCEMENTS, AND CLARIFICATIONS

Effective September 1, 2013

To add overall value and simplify documents and processes for members, the TASB Risk Management Fund (Fund) will implement the following coverage changes, enhancements, and clarifications effective September 1, 2013. This is only a summary please review all coverage documents carefully.

GENERAL COVERAGE CHANGES

Stand-alone **Crime** coverage will no longer be offered. This coverage is provided in the Property Coverage Agreement.

Stand-alone **General Liability and School Professional Legal Liability** will no longer be offered. A new School Liability coverage program has been created that combines General Liability and School Professional Legal Liability.

The definition of **Mobile Equipment** has changed and will affect coverage. Review the following coverage summary for highlights and coverage agreements for specific details.

PROPERTY COVERAGE CHANGES

- **Mobile Equipment** - Coverage for damage to Mobile Equipment will move from Auto Physical Damage to Property. Mobile Equipment that is registered for road-use will remain under Auto coverage.
- **Articles of Art, Statues, Antiques** limits of up to \$100,000.
- **Crime and Employee Dishonesty** coverage with a limit of \$100,000 will be provided to all Property members for no additional contribution. Higher limits may be available for additional contribution.
- **Electronic Records & Data** coverage up to \$50,000 (for restoration of lost electronic records and data) will be provided to all Property members for no additional contribution. Higher limits may be available for additional contribution.
- **Newly Acquired Property** will be covered with no sublimit, as long as the member has accepted the property and reported it to the Fund.
- **Trees, Shrubs, Landscaping Plants** limit will increase to \$25,000 per occurrence, up to \$1,000 for any single tree, shrub, or plant.
- **Valuable Papers** limit will increase to \$50,000.
- **Pollutant Clean-Up** limit will increase to \$100,000.



- **Animals** owned by the Fund member will be covered up to \$25,000. Damage caused by disease, neglect, pests, etc. is excluded. This is new coverage.
- **Flood** coverage of \$2,000,000 per occurrence/annual aggregate will be provided to all Property members. (All property located in Zones A and V are excluded.) Higher limits, up to \$10,000,000 per occurrence/annual aggregate, may be available for additional contribution. Coverage is always excess of maximum available National Flood Insurance Program (NFIP) limits.
- **Earthquake** coverage of \$2,000,000 per occurrence/annual aggregate will be provided to all Property members. Higher limits, up to \$10,000,000 per occurrence/annual aggregate, may be available for additional contribution.
- **Cosmetic Damage** is clarified to include a sublimit of up to \$100,000 per occurrence for aesthetic or superficial damage.
- **Property under Construction/Renovation** by *Fund member's employees* will be covered up to \$1,000,000.
- **Debris Removal** limit will be the reimbursement of actual cost up to 25% of the covered loss.
- **Code Enforcement & Compliance** limit for increased repair costs due to code enforcement or compliance will be the reimbursement of actual cost up to 10% of the amount of the covered loss per structure, not to exceed \$1,000,000 per occurrence.
- **Property of Others** that is under the control and care of the member, through a long-term agreement of at least 90 days, will be covered.
- **Vacant Buildings** that are vacant for more than 90 days are excluded unless the Fund has extended coverage in writing. New language clarifies when a building is deemed vacant.
- **Named/Numbered Windstorm** clarifies the exclusion for losses in Tier 1, Tier 2, and Harris counties.

LIABILITY COVERAGE CHANGES

- **General Liability and Professional Legal Liability** coverage will be combined in a single comprehensive coverage agreement.
- **Sexual Misconduct** coverage will no longer be sublimited and will be included as part of the professional legal liability coverage for all members. Defense costs for such claims will no longer erode limits.
- **Extension of Coverage to Volunteers** has been clarified.
- **Employee Benefits Liability** limits will no longer be eroded by defense costs.

- **Mobile Equipment** - Liability claims arising out of use of Mobile Equipment registered for road-use will move from General Liability to Auto Liability coverage.

AUTO COVERAGE CHANGES

- **Specified Perils** will no longer be offered. The Fund will provide Comprehensive coverage to all Fund Members. Comprehensive coverage pays for damage that is not a result of a collision, as long as the cause of the damage is not excluded.
- **Auto Liability and Auto Physical Damage** will be combined into a single agreement. The new Auto Coverage Agreement will include language for both areas of coverage.
- **Mobile Equipment** - Coverage for damage to Mobile Equipment will move from Auto Physical Damage to Property. Mobile Equipment that is registered for road-use will remain under Auto Physical Damage.
- **Mobile Equipment** - Liability claims arising out of use of Mobile Equipment registered for road-use will be covered under the Auto Liability coverage.
- **Auto Liability** deductible will apply to settlements, judgments, and attorneys' fees.

This summary document provides only general information and is not part of any coverage agreement with the Fund.

