

Property/Casualty Insurance
May 24, 2016

SUMMARY:

This item requests approval of the Property/Casualty Insurance and the TASB Risk Management Fund Interlocal Participation Agreement.

BOARD GOAL:

VI. Growth, Change and Fiscal Responsibility...demonstrate effective and efficient management of District resources.

PREVIOUS BOARD ACTION:

The Board approved the Texas Association of School Boards Risk Management Fund (TASB) as the District's insurance provider for Property, Equipment Breakdown, Miscellaneous Property, Liability, Vehicle Coverage, and Crime on May 26, 2015.

BACKGROUND INFORMATION:

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

SIGNIFICANT ISSUES:

TASB Risk Management Fund's renewal proposal for Property, School Liability, Privacy and Information Security, and Automobile Coverage will be \$746,100. This is an increase of \$217,563. Coverage additions and premium changes included in this proposal are:

This year the Fund has added Ransomware coverage at no additional cost. Ransomware is a type of malware that blocks access to your computer, holding your data & files hostage and demands payment and will not release until payment is paid. Without making a payment, the data stays encrypted.

The premium for 2016-2017 reflects an increase in the cost of replacement values across the District, recent industry wide claims, as well as the additions of Bell Elementary and the portion of Braswell High School to be occupied as of August 2016.

FISCAL IMPLICATIONS:

TASB submitted the following proposal for coverage:

\$1,007,094,699 Blanket Replacement Cost on buildings, personal property and auxiliary structures with a \$250,000 deductible for wind, hurricane and hail and \$50,000 for all other claims. This proposal is for the 2016-2017 school year, beginning July 1, 2016 and ending June 30, 2017.

BENEFIT OF ACTION:

Approval of property/casualty coverage 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, 2016 in order to avoid a lapse in coverage.

SUPERINTENDENT'S RECOMMENDATION:

Recommend that the District approve the TASB Risk Management Fund Interlocal Participation Agreement and the renewal from TASB Risk Fund for the following coverages and term:

- Term: July 1, 2016 through June 30, 2017.
- Property-\$1,007,094,699 Blanket Replacement Cost Limit with a \$250,000 deductible for wind, hurricane and hail and \$50,000 for all other claims.
- School Liability-Professional Legal Liability \$5,000,000 limit with a \$10,000 deductible, General Liability \$5,000,000 limit with no deductible and Employee Benefits Liability \$100,000 limit with no deductible.
- Privacy & Information Security-\$100,000 limit with no deductible.
- Automobile-Liability and Physical Damage coverage with a \$1000 deductible.

Total Premium Contribution is \$746,100.

STAFF PERSONS RESPONSIBLE:

Karen Almon, Director of Risk Management
Debbie Monschke, Assistant Superintendent of Administrative Services

ATTACHMENTS:

TASB Letter – Renewal Proposal
TASB Contribution and Coverage Summary with Conditions
Comparison of Insurance Premiums

APPROVAL:

Signature of Staff Member Proposing Recommendation: _____

Signature of Divisional Leader: _____

Signature of Superintendent: _____