

**Workers' Compensation Administrative Services Program and Excess Coverage**  
May 22, 2018

**SUMMARY:**

This item requests renewal of the Workers' Compensation Administrative Services Program and Excess Workers' Compensation Coverage.

**BOARD GOAL:**

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

**PREVIOUS BOARD ACTION:**

The Board approved the recommendation of the Texas Association of School Boards for Administrative Services Only for the Workers' Compensation Fund on December 12, 2006. This inter-local agreement is renewed annually.

**BACKGROUND INFORMATION:**

On May 23, 2017, the District opted to continue with TASB Risk Fund for Workers' Compensation – Administrative Services Only Program and Safety National Casualty Corporation for Excess Workers' Compensation Coverage. The Excess Workers' Compensation coverage had a \$500,000 specific self-insured retention, \$1,000,000 aggregate retention and \$1,000,000 aggregate excess limit with a premium of \$85,769. The Administrative Services Only Program included Annual Actuarial Review Services and Loss Prevention Services for a premium of \$11,500.

**FISCAL IMPLICATIONS:**

For 2018-2019, the Fund has proposed Excess Workers' Compensation Coverage with a premium of \$89,687. This includes a \$500,000 specific self-insured retention, \$1,000,000 aggregate retention and \$1,000,000 aggregate excess limit. The annual premium for the Administrative Services Only Program with options for the Annual Actuarial Review and Loss Prevention Services will increase by \$1,500 to \$13,000. Claims Administration Fees will remain as follows:

	<u>2017-2018 Fee</u>	<u>2018-2019 Fee</u>
Indemnity Claim	\$ 725 per claim	\$ 725 per claim
Medical Claim	\$ 125 per claim	\$ 125 per claim
Record Claim only	\$ 20 per claim	\$ 20 per claim

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.

**PROCEDURAL AND REPORTING IMPLICATIONS:**

Sign and return TASB's Contribution and Coverage Summary.

**SUPERINTENDENT'S RECOMMENDATION:**

Recommend that the District continue Safety National Casualty Corporation Excess Workers' Compensation Coverage with a \$500,000 specific self-insured retention, \$1,000,000 aggregate retention and \$1,000,000 aggregate excess limit with a premium of \$89,687 for a period of July 1, 2018 – June 30, 2019. Additionally, it is recommended that the District continue with TASB Risk Fund for Workers' Compensation – Administrative Services Only with optional services for Annual Actuarial Review and Loss Prevention Services. The annual premium for these services will total \$13,000. The combined total annual premium is \$102,687, which is an increase of \$5,418.

**STAFF PERSONS RESPONSIBLE:**

Debbie Monschke, Assistant Superintendent of Administrative Services

**ATTACHMENT:**

TASB – Workers' Compensation ASO Contribution and Coverage Summary Section only  
Denton ISD Aggregate Excess Comparison

**APPROVAL:**

Signature of Staff Member Proposing Recommendation: \_\_\_\_\_

Comments: \_\_\_\_\_

Signature of Divisional Leader: \_\_\_\_\_

Comments: \_\_\_\_\_

Signature of Superintendent: \_\_\_\_\_