



BOARD OF SCHOOL TRUSTEES

KELLER INDEPENDENT SCHOOL DISTRICT

11C. Preview

Date: Nov. 27 2006

SUBJECT: EXCESS WORKERS COMPENSATION COVERAGE

BOARD GOAL: All systems in the Keller Independent School District will be effective, efficient, and accountable in support of the district's mission.

FISCAL NOTE: Paid Through Employee Insurance Fund (Workers Comp)

ANTICIPATED DATE FOR ACTION: December 11, 2006

Background Information:

- The district purchases Excess Workers Compensation coverage as protection against catastrophic losses from workers compensation claims
- This coverage is purchased on a per occurrence basis as opposed to a per claim basis since multiple claims may be involved in a single occurrence
- The district retains \$500,000 of a single occurrence loss, which is typical for entities with projected payroll expense of \$100,000,000 or more
 - The aggregate limit, which is the limit at which this coverage kicks in, is \$1,000,000
- The premium for this coverage is based on the district's payroll and is currently projected to be around \$68,000
- The current excess loss carrier is Midwest Employers Casualty Company

Administrative Considerations:

- The district is currently receiving proposals for this coverage, effective January 1
- The district's Employee Benefits Consultant, Smith & Associates Consulting, is currently assisting the district with this process
- Proposals were received in the district through November 15 for evaluation by the district and its consultant

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Respectfully submitted,

Bill Stone, Asst. Supt.
Business Operations