

Approval of Student/Athletic Insurance for 2011-2012

June 14, 2011

SUMMARY:

This item requests approval of the Student/Athletic Insurance Proposal for 2011-2012.

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

PREVIOUS BOARD ACTION:

On June 22, 2010, the Board recommended approval of GM-Southwest, Inc as the company providing student insurance with Pan American and AIG as the carriers with John Gutschlag as agent.

BACKGROUND INFORMATION:

According to Attorney General Opinion DM418 (1996) insurance is included in the term "personal property". Purchases in excess of \$50,000 must be purchased according to the purchasing methods available in section 44.031 of the Education Code.

SIGNIFICANT ISSUES:

Six proposals were received for Student Accident Insurance. Four proposals included coverage for heat exhaustion. Companies considered were:

- GM-Southwest, Inc.
- Wilson Sports Insurance Services
- Scarbrough, Medlin & Associates/Monarch Management
- Texas Kids First
- Academic Benefits of Texas
- The Brokerage Store

FISCAL IMPLICATIONS:

The premium offered by GM-Southwest, Inc. is \$147,440 (\$140,000 plus \$7,440 for catastrophic coverage). The rate for 2010-2011 was \$96,667. This is an increase of \$50,773 over the premium rate for 2010-2011. The premium offered by Wilson Sports Insurance Services is \$96,516 (\$91,200 plus \$5,316 for catastrophic coverage), a difference of (\$151) over the premium rate for 2010-2011. The premium for GM-Southwest, Inc. is \$50,924 more than the premium offered by Wilson Sports Insurance Services.

The Student Insurance Selection Committee, Sally Havey, Insurance Coordinator and Debbie Monschke, Executive Director of Administrative Services determined that heat exhaustion was an important item to be included in the schedule of benefits. Of the four companies that offered coverage for heat exhaustion, Wilson Sports Insurance Services provided coverage most comparable to the current coverage at the best rate. In addition, Wilson Sports Insurance Services offers parents two plan choices for volunteer coverage and extended dental.

BENEFIT OF ACTION:

Provide coverage for 2011-2012 school year.

PROCEDURAL AND REPORTING IMPLICATIONS:

Coverage is required for August 1, 2011.

ALTERNATIVES:

Approve one of the alternate companies to provide student insurance.

SUPERINTENDENT'S RECOMMENDATION:

Recommend approval of Wilson Sports Insurance Services as the company providing student insurance with Hartford and Mutual of Omaha as the carriers with John Wilson as agent. The premium offered by Wilson Sports Insurance Services is \$96,516 (\$91,200 plus \$5,316 for catastrophic coverage).

STAFF PERSONS RESPONSIBLE:

Debbie Monschke, Executive Director of Administrative Services
Sally Havey, Insurance Coordinator

ATTACHMENT:

Bid Tabulation
Response to Questions

APPROVAL:

Signature of Staff Member Proposing Recommendation: _____

Comments: _____

Signature of Divisional Leader: _____

Comments: _____

Signature of Superintendent: _____

Comments: _____