



BOARD OF SCHOOL TRUSTEES

KELLER INDEPENDENT SCHOOL DISTRICT

4D. Action

Date: April 17, 2006

**SUBJECT: RENEWAL OF PROPERTY/CASUALTY INSURANCE –
PROPERTY CASUALTY ALLIANCE OF TEXAS (PCAT)**

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: Budgeted Funds

Background Information:

- The district annually maintains property and casualty insurance coverage through participation in the Property Casualty Alliance of Texas (PCAT)
- PCAT is an administrative agency created by the participating member school districts pursuant to the Interlocal Cooperation Act, Chapter 791, Title 7, Texas Government Code
- The purpose of PCAT is to administer a program of property and casualty insurance for member school districts through the pooling of resources of the participants pursuant to the statute referenced above
- Keller ISD has been a participating member of PCAT since its inception in 2003
- A renewal offer effective as of the regular renewal date of 9/01/06 has been extended to the district

Administrative Considerations:

- The renewal provides for no rate increase from the current rates through 9/01/07; furthermore, the district will incur a rate renewal of no more than 10% for the coverage period that runs from September 1, 2007 to September 1, 2008. This effectively guarantees that the district will experience no more than an average 5% increase in property/casualty insurance rates over the next two fiscal years beginning September 1, 2006.
- In addition, the district will receive a 10% wind and hail Deductible Credit for each year the district has been claim-free from wind and hail claims as of the coming renewal date, which is September 1, 2006. A maximum credit of 30% is offered. The current wind and hail deductible is \$200,000 per occurrence (for all other perils, the deductible is \$10,000).

- A copy of the renewal offer and 2 Year Addendum to the Interlocal Agreement is attached.

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The administration recommends that the Board approve the renewal of property/casualty insurance coverage in accordance with the terms provided in the 2 Year Addendum to the Interlocal Agreement with the Property/Casualty Alliance of Texas.

Respectfully submitted,

Bill Stone, Asst. Supt.
Business Operations