

**Denton ISD**  
**TASB Property, School Liability, Privacy & Information Security and**  
**Automobile Insurance Renewal**  
 April 13, 2021

**SUMMARY:**

This item requests approval of the Insurance Property Coverage, School Liability (Professional, General and Employee Benefit) Automobile Liability, Automobile Physical Damage, Privacy & Information Security and Violent Acts Coverage for Denton ISD effective July 1, 2021.

**BOARD GOAL:**

Growth & Management... In pursuit of excellence, we will:

- Adjust policies and procedures to address rapid growth and changing demographics, nurturing our strong sense of community
- Demonstrate effective and efficient management of district resources
- Provide leadership and/or oversight to ensure District meets all fiscal, legal and regulatory requirements

**PREVIOUS BOARD ACTION:**

On June 9, 2020, the Board approved the renewal of Texas Association of School Boards Risk Management Fund (TASB) as the District’s insurance provider for this coverage.

**BACKGROUND INFORMATION**

For 2020-2021, TASB increased the deductible for Professional Liability from \$10,000 to \$25,000. School Crisis coverage was added with a limit of \$250,000 with no deductible. Wind, Hurricane and Hail Loss coverage was increased to a per occurrence limit of \$5,000,000 per occurrence, to all single-ply membrane roofs with a deductible of \$500,000.

**SIGNIFICANT ISSUES:**

- The Fund updated its Privacy & Information Security coverage (“cyber”) limits to a single \$250,000 combined limit. The coverage will continue to be offered without deductible and the full \$250,000 limit is available for fraudulent direction claims. Due to increased claims costs related to evolving cyber risks, an annual \$2,500 contribution is being implemented.
- The Fund continues to provide \$250,000 of Violent Acts coverage to members in three or more Fund programs at no cost. This year, the coverage has been expanded to also include up to \$1 million in coverage for demolition, remediation, or rebuilding of buildings after a violent act occurs. Violent Acts coverage provides expense reimbursements for post-event emergency costs, including mental health services, crisis communications, and other expenses.
- The Fund offers a Wind-Hail Deductible Buy-Down option for Property program members who want to lower their wind-hail deductible. The deductible amount of \$500,000 per occurrence.
- Change in replacement value blanket coverage per occurrence limit of \$500,000,000 due to TASB’s reinsurance requirements.

<b>Property Coverage</b>	<b>2021-2022 Limit</b>	<b>2021-2022 Deductible</b>	<b>2020-2021 Limit</b>	<b>2020-2021 Deductible</b>
<b>All Perils except Wind, Hurricane, and Hail</b>	\$500,000,000	\$500,000	\$1,331,891,194	\$500,000
<b>Wind, Hurricane, and Hail*</b>	\$500,000,000	\$1,000,000	\$1,331,891,194	\$500,000
<b>Flood</b>	\$2,000,000	\$500,000	\$2,000,000	\$100,000
<b>Earthquake</b>	\$2,000,000	\$500,000	\$2,000,000	\$100,000
<b>Crime</b>	\$100,000	\$50,000	\$100,000	\$50,000
<b>Equipment Breakdown</b>	\$100,000,000	\$500,000	\$100,000,000	\$100,000
<b>*Wind and Hail Deductible Buydown*</b>		\$500,000		

**FISCAL IMPLICATIONS:**

<b>Category</b>	<b>2021-2022</b>	<b>2020-2021</b>
<b>Property including Equipment Breakdown</b>	\$1,785,433	\$1,531,675
<b>School Liability</b>	\$225,224	\$192,388
<b>Auto Liability</b>	\$141,727	\$128,304
<b>Auto Physical Damage</b>	\$57,789	\$48,149
<b>Privacy &amp; Information Security</b>	\$2,500	\$0
<b>Total: Contribution and Property &amp; Casualty</b>	\$2,212,673	\$1,900,516
<b>*Wind and Hail Deductible buydown*</b>	\$179,000	

**This is an increase of \$312,157 over the 2020-2021 school year. \*With the additional buy down of the wind and hail deductible total increase of \$491,157**

**BENEFIT OF ACTION:**

Approval of these coverages 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 May 30, 2021, in order to avoid a lapse in coverage.

**SUPERINTENDENT’S RECOMMENDATION:**

Recommends the District approve the TASB Risk Management Fund proposal for the following coverages and term:

- Term: July 1, 2021 through June 30, 2022.
- \$500,000,000 million per occurrence limit for all Perils including Wind, Hurricane, and Hail.
- Crime, Equipment Breakdown, School Liability and Privacy & Information Security and Active Shooter coverage.
- Automobile coverage with a liability deductible of \$2,500 per occurrence.
- Wind and Hail Deductible buydown endorsement.
- The combined total fees paid to TASB for all services referenced is **\$2,391,673**

**STAFF PERSONS RESPONSIBLE:**

Dr. Scott Niven, Chief Financial Officer  
Chris Bomberger, Executive Director of Risk Management, Benefits & Child Nutrition

**ATTACHMENTS:**

2021-04-13 Denton ISD 2021 ALP CCS Renewal  
2021-04-13 TASB Property Deductible Buy Down.

**APPROVAL:**

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

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

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