

Cedar Hill Independent School District
BOARD OF TRUSTEES

Meeting Date: September 10, 2012

Presented by: Mr. Horace Williams, Superintendent of Schools

Subject: Educators' Legal Liability Insurance Approval for period September 1, 2012 thru August 31, 2013.

Action Items

BOARD GOAL:

Align the budget process to achieve district goals.

Participation in the Texas Public Entry Group is via Interlocal Participation Agreement which meets Section 44.031 of the Education Code as an approved purchasing method that is in compliance with all bidding statues. This allows us to renew the coverage without going through an additional bidding process.

BACKGROUND INFORMATION:

The Texas Public Entry Group offered in conjunction with Travelers began providing property casualty and liability insurance coverage for the District three years ago at a substantial savings over prior years. This is a continuation/renewal of those services for the period of September 1, 2012 to August 31, 2013. A Contribution and Coverage Summary comparison between years is attached.

In June the Board approved renewal of the Property portion of our policy in order to secure offered pricing prior to a potential price increase due to widespread hail claims affecting the property insurance market. At that time Administration indicated that liability coverage had not been quoted and would be renewed separately. Renewal rates were not received timely for consideration by trustees at the August meeting, as a result the carrier agreed in writing to extend CHISD coverage under the 2011-12 policy through September 15, 2012 at no additional cost in order to allow the district to present at the September meeting and maintain coverage.

Renewal at our current coverage level results in a premium increase of \$22,198 and is due to the overall market state and our own claims experience.

We have also been given the option to reduce the premium increase to \$5,865 by decreasing our coverage limit from \$5,000,000 to \$2,000,000. Our agent has shared that many peer districts covered by their agency carry policies with a \$1,000,000 limit. Although, he would not recommend that we decrease our coverage limit to \$1,000,000 he does believe we would have adequate coverage with a \$2,000,000 limit.

RECOMMENDATION:

Administration recommends renewing participation in the Traveler's Insurance Inter-local insurance pool for Educators' Legal Liability from September 1, 2012 through August 31, 2013 with a \$2,000,000 coverage limit.

BOARD ACTION REQUIRED:

Approve Administration Recommendation

POLICY AUTHORIZATION

CH (Legal) and CH (Local)
CRB (Legal) and CRB (Local)

CONTACT PERSON(S):

Carrie Alexander, Executive Director of Financial Services
Michael McSwain, Chief Financial Officer

FUNDING SOURCE:

Fund 199 General Fund

ENCLOSURES:

Attached