

# Workers Compensation Third Party Administrator and Stop Loss Coverage

June 28, 2011

## SUMMARY:

This item requests renewal of the Workers Compensation Third Party Administrator and Stop Loss Coverage.

## PREVIOUS BOARD ACTION:

The Board approved the recommendation of the Texas Association of School Boards for Administrative Services Only for the Workers Compensation Fund on December 12, 2006. This inter-local agreement is renewed annually.

## BACKGROUND INFORMATION:

On June 8, 2010 the District opted to continue with TASB Risk Fund for Workers' Compensation – Administrative Services Only and accepted the Safety National Casualty Corporation two year term, for stop loss coverage with the \$450,000 specific retention and \$1,000,000 aggregate retention. The premium was \$56,980.

## SIGNIFICANT ISSUES:

Due to the current economic impact on Texas school districts, the Fund has decided to hold Denton ISD's 2010-11 claim fees and program administration fees for 2011-12. As this marks the beginning of this coverage period, the claim fees and program administration are guaranteed until July 1, 2013.

## FISCAL IMPLICATIONS:

Stop Loss - The recommended stop loss premium is \$56,980 including the cash flow coverage. This option includes a specific retention of \$450,000 and an aggregate retention of \$1,000,000 for the second year of a two year term.

Administrative Services - The proposed Program Administration fees will remain at \$9,600 annually.

Claims Administration fees will remain as follows:

	Rate
Indemnity Claim	\$650 per claim
Medical Claim	\$ 110 per claim
Record Claim only	\$ 20 per claim

Other cost containment fees and loss prevention services are included on the Contribution and Coverage Summary.

Currently our district continues benefits during holiday breaks. A change in the law allows us to stop benefits for actual holiday breaks.

## PROCEDURAL AND REPORTING IMPLICATIONS:

Sign and return TASB's Contribution and Coverage Summary.

## SUPERINTENDENT'S RECOMMENDATION:

Recommend that the District continue with TASB Risk Fund for Workers' Compensation – Administrative Services Only and accept the Safety National Casualty Corporation renewal for the second year of the two year term which includes a specific retention of \$450,000 and an aggregate retention of \$1,000,000. The district also elects to continue weekly benefits during holiday breaks.

## STAFF PERSONS RESPONSIBLE:

Debbie Monschke, Executive Director Administrative Services

## ATTACHMENT:

TASB – Contribution and Coverage Summary  
Safety National Casualty Corporation - Binder

## APPROVAL:

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

Comments: \_\_\_\_\_

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

Comments: \_\_\_\_\_

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

Comments: \_\_\_\_\_