

Workers Compensation Administrative Services Program and Excess Coverage
May 26, 2015

SUMMARY:

This item requests renewal of the Workers Compensation Administrative Services Program and Excess Workers' Compensation 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 May 27, 2014 the District opted to continue with TASB Risk Fund for Workers' Compensation – Administrative Services Only Program and Safety National Casualty Corporation for Excess Workers' Compensation Coverage. The Excess Workers' Compensation coverage had a \$500,000 specific self-insured retention/\$1,000,000 aggregate retention and \$1,000,000 aggregate excess limit with a premium of \$76,760. The Administrative Services Only Program included Annual Actuarial Review Services and Loss Prevention Services for a premium of \$12,000.

SIGNIFICANT ISSUES:

For the 2015-2016 Administrative Services Only (ASO) Program , the General Administrative Services Fee of \$ 3,000, Actuarial Review Services of \$ 4,500 and Loss Prevention Services Package of \$ 4,500 a year will remain the same resulting in no increase in the ASO fees.

FISCAL IMPLICATIONS:

For 2015-2016, the Fund has proposed Excess Workers' Compensation Coverage with a premium of \$76,543. This includes a specific self-insured retention of \$500,000/\$1,000,000 aggregate retention and an aggregate excess limit of \$1,000,000. The annual premium for the Administrative Services Only Program with options for the Annual Actuarial Review and Loss Prevention Services will be \$12,000 with Claims Administration Fees remaining the same as 2014-2015. Those fees will be as follows:

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

The law allows us to stop benefits for actual holiday breaks. Only those employees who were normally scheduled to work during these times will receive benefits.

PROCEDURAL AND REPORTING IMPLICATIONS:

Sign and return TASB's Contribution and Coverage Summary.

SUPERINTENDENT'S RECOMMENDATION:

Recommend that the District continue Safety National Casualty Corporation Excess Workers' Compensation Coverage Option #1078967963 with a specific self-insured retention of \$500,000/\$1,000,000 aggregate retention and an aggregate excess limit of \$1,000,000 with a premium of \$76,543 for a period of July 1, 2015-July 1, 2016. Additionally, it is recommended that the District continue with TASB Risk Fund for Workers' Compensation – Administrative Services Only with optional services for Annual Actuarial Review and Loss Prevention Services. The annual premium for these services will total \$12,000. The combined total annual premium is \$ 88,543.

STAFF PERSONS RESPONSIBLE:

Debbie Monschke, Assistant Superintendent of Administrative Services
Karen Almon, Director of Risk Management

ATTACHMENT:

TASB –Contribution and Coverage Summary
Safety National Casualty Corporation – Excess Workers' Compensation Quote

APPROVAL:

Signature of Staff Member Proposing Recommendation: _____

Comments: _____

Signature of Divisional Leader: _____

Comments: _____

Signature of Superintendent: _____

Comments: _____