Sharon Williams, Ed.D.
Superintendent of Schools

To: RIMSD 41 Board of Education
From: Dr. Sharon Williams
Cabinet Champion: Annaka Whiting, Chief Financial Officer
Date: November 24, 2026
Re: Cyber Liability and Workers' Compensation Coverage

The District's Cyber Liability and Workers' Compensation insurance policies are set to expire on November 30, 2026. Cyber Liability renewals involve an evaluation of the District's current IT security practices and associated risk. Workers' Compensation program costs vary annually based on estimated payroll, actual claims, historical incurred losses, and claim frequency.

With assistance from the District's insurance administrator, Gallagher, the District reviewed renewal options for Cyber Liability coverage and solicited competitive proposals for Workers' Compensation coverage. The District will continue Cyber Liability coverage with Westchester for the upcoming policy year. The renewal premium remains unchanged from the prior year of $13,137, with a $15,000 deductible while maintaining $1,000,000 in coverage.

The District received five proposals for Workers' Compensation coverage, including proposals from four alternative carriers and the District's current provider, United Heartland.

Company	Proposed Premium
BITCO	$897,555
Summit	$951,565
Encova	$959,222
Zenith	$1,016,013
United Heartland (Current Provider)	$1,441,985

In reviewing the proposals, the District considered both premiums and the services offered by each carrier. While BITCO provided the lowest premium, it offered limited safety and return-to-work resources. Summit and Encova offered additional safety resources, quarterly updates, and light-duty recommendations. Encova also offers a potential dividend based on the District's actual incurred losses.

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The District is recommending Encova because of the additional support and resources it provides to help proactively manage Workers' Compensation claims, strengthen workplace safety, and facilitate employees returning to work as soon as appropriate following an injury. The District is focused on reducing claim frequency and costs, improving claim outcomes, and taking a more proactive approach to workplace safety. While Encova's premium is slightly higher than Summit's and BITCO's, the additional resources and potential dividend opportunity provide value beyond the initial premium cost.

Encova's proposed premium of $959,222 is $60,864 (6.8%) higher than last year's United Heartland premium of $898,358, but substantially lower than United Heartland's current renewal proposal of $1,441,985. Gallagher will continue to serve as the District's insurance administrator. Each spring, the District undergoes an audit of the prior year's actual payroll. If audited payroll exceeds the original estimate by more than 5%, an additional premium may be due. To account for this potential adjustment, the District is requesting an additional 5% allowance of $47,961, which is not included in the quoted premium.

It is recommended that the Board of Education approve Cyber Liability coverage with Westchester at $13,137 and Workers' Compensation coverage with Encova Insurance at $959,222, with an additional 5% allowance of $47,961 for potential payroll audit adjustments, for a total Workers' Compensation approval of $1,007,183 and a combined insurance approval of $1,020,320.

Investment Period: December 1, 2026 - November 30, 2027
Total Investment: Not to exceed $1,020,320
Funding Source: Tort Fund

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