



UNITED INDEPENDENT SCHOOL DISTRICT AGENDA ACTION ITEM

TOPIC Renewal of the District Workers' Compensation Insurance Program

SUBMITTED BY: Robert Chapa **OF:** Risk Management

APPROVED FOR TRANSMITTAL TO SCHOOL BOARD: _____

DATE ASSIGNED FOR BOARD CONSIDERATION: July 23, 2008

RECOMMENDATION:

Staff has finalized negotiations for the renewal proposal submitted by the Texas Mutual Insurance Company and recommends acceptance.

On June 2005 the District awarded the Workers' Compensation Insurance contract provided by Texas Mutual Insurance (TMIC) through Inscorp Insurance, Inc. Proposal was for five (5) one year contracts with year #1 at a fixed rate and years 2, 3, 4, and 5 to be negotiated annually and renewed at the discretion of the district. This proposal is for year 4 of 5 of the awarded contract.

RATIONALE:

TMIC is proposing a renewal rate of -3 % below the 2007-2008 insurance premium rates. This decrease will result in an annual premium in the approximate amount of \$1,935,163. The reduction in premium rates will result in a savings of approximately \$52,600. Based on the current year loss ratios staff believes the proposed rates accurately credit the district for its efficient operations.

BUDGETARY INFORMATION

Premiums included in the 2008-09 budget.

BOARD POLICY REFERENCE AND COMPLIANCE:



June 11, 2008

NorthTown Professional Plaza • 6999 McPherson Ste. 108
Laredo, Texas 78041

Mr. William Wallace Weatherford
Risk Manager
United ISD - By Hand
Laredo, Texas 78041

Re: 2008-2009 Workers' Compensation Renewal
Texas Mutual Insurance Company

Dear Mr. Weatherford:

We are pleased to provide you with your workers' compensation renewal premium for the 2008 to 2009, policy year.

Statutory Workers' Compensation Limit
\$100,000/\$100,000/\$500,000 Employer's Liability Limit

Payrolls	Rates	Codes
\$29,608,483	(0.171177941)	8810 - Clerical Office Employees
\$34,341,696	(3.445163795)	9101 - School- All Other Employees & Drivers
\$157,282,107	(0.445919847)	8868 - School- Training to Various
\$221,232,286		Total Payroll

NCCI Experience Mod: 1.03

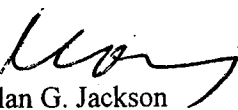
TMIC Discounted Experience Mod: .63

Premium: Out of Network-\$1,935,163 (plus Inscorp fee \$65K)

Payment Option: 30% Down Payment due at binding, with 3 quarterly installments.

Thanks to you and to Mr. Chapa for the confidence you have placed in Inscorp, Inc., by the renewal of our annual contract over these past many years.

Sincerely,


Alan G. Jackson
Inscorp, Inc.

2008-09 UISD
Workers' Compensation
Renewal Proposal

*Rate Comparison			
(per \$100 of Payroll)			
Class Code	2007-08	2008-09	Percent Change +/-
8810	\$0.1957	\$0.1712	-13%
9101	\$3.9387	\$3.4452	-13%
8868	\$0.5068	\$0.4459	-12%

Covered Payroll

8810	\$25,209,688	\$29,608,483	17%
9101	\$28,256,179	\$34,341,696	22%
8868	<u>\$162,859,797</u>	<u>\$157,282,107</u>	-3%
Total	\$216,325,664	\$221,232,286	2%
Premium	\$1,987,738	\$1,935,163	-3%