

**Wethe & Associates**  
*Independent*  
*Risk Management, Insurance & Employee Benefit*  
*Consultants*

March 21, 2018

Ms. Emily Garza  
Director of Purchasing  
Pharr-San-Juan-Alamo ISD  
601 E. Kelly Street  
Pharr, TX 78577

Re: Excess Workers' Compensation Insurance RFP #17-18-032  
Attachment: Tabulation of Proposals

Dear Ms. Garza:

In response to RFP #17-18-032 for Excess Workers' Compensation Insurance, the District received two vendor responses:

Shepherd Walton King Insurance Agency submitted the following proposals:

1. Safety National Insurance Company
2. State National Insurance Company
3. New York Marine & General Insurance Company

Montalvo Insurance Agency submitted the following proposals:

1. Colony Insurance Company

Attached is the tabulation of proposals received. Safety National provided eight renewal options, State National provided six renewal options, and New York Marine provided two renewal options.

The lowest cost proposal that provided continuation of current coverage, with a three year rate guarantee, was the Safety National consulting renewal. The annual premium of \$179,699 is a reduction of \$2,973 (1.6%) from current premium. The Aggregate Self Insurance Retention (SIR) Minimum Loss Fund amount for the three year period will be \$9,234,171.

The Colony Insurance proposal submitted by Montalvo Insurance Agency was Non-Responsive because it did not include Aggregate Coverage.

I recommend renewal of Excess Workers' Compensation Insurance with Safety National Insurance Company on the basis of best value for cost and coverage. Safety National Insurance Company and Shephard Walton King Insurance Agency have provided this insurance coverage since 2001

Sincerely,



Kenneth D. Wethe  
Independent Insurance Consultant

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PHARR-SAN JUAN-ALAMO ISD  
 Excess Workers' Compensation Insurance RFP # 17-18-032  
 Renewal Options - Effective Date April 1, 2018

	RECOMMENDATION						
	Current	Renewal H	Renewal A	Renewal B	Renewal C	Renewal D	Renewal E
Insurance Company	Safety National	<b>Safety National</b>	Safety National	Safety National	Safety National	Safety National	Safety National
A.M. Best	A+/XIV	<b>A+/XIV</b>	A+/XIV	A+/XIV	A+/XIV	A+/XIV	A+/XIV
Outlook	Stable	<b>Stable</b>	Stable	Stable	Stable	Stable	Stable
Location	St. Louis, MO	<b>St. Louis, MO</b>	St. Louis, MO	St. Louis, MO	St. Louis, MO	St. Louis, MO	St. Louis, MO
Type of Company	Texas-Admitted	<b>Texas-Admitted</b>	Texas-Admitted	Texas-Admitted	Texas-Admitted	Texas-Admitted	Texas-Admitted
Managing Underwriter	Direct	<b>Direct</b>	Direct	Direct	Direct	Direct	Direct
Insurance Agency	Shepard Walton King	<b>Shepard Walton King</b>	Shepard Walton King	Shepard Walton King	Shepard Walton King	Shepard Walton King	Shepard Walton King
Agents	Raul Cabaza	<b>Raul Cabaza</b>	Raul Cabaza	Raul Cabaza	Raul Cabaza	Raul Cabaza	Raul Cabaza
	Arnetta Oropeza	<b>Arnetta Oropeza</b>	Arnetta Oropeza	Arnetta Oropeza	Arnetta Oropeza	Arnetta Oropeza	Arnetta Oropeza
Location	McAllen, TX	<b>McAllen, TX</b>	McAllen, TX	McAllen, TX	McAllen, TX	McAllen, TX	McAllen, TX
Policy Term	Three Year	<b>Three Years</b>	One Year	Three Years	One Year	Three Years	One Year
Coverage Limit	Statutory	<b>Statutory</b>	Statutory	Statutory	Statutory	Statutory	Statutory
Lifetime of Claims	Yes	<b>Yes</b>	Yes	Yes	Yes	Yes	Yes
Employers Liability	\$1,000,000	<b>\$1,000,000</b>	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000
Self-Insured Retention							
Per Claim Lifetime	\$450,000	<b>\$450,000</b>	\$500,000	\$500,000	\$500,000	\$500,000	\$450,000
First Year of Claim	\$225,000	<b>\$225,000</b>	\$250,000	\$225,000	\$250,000	\$225,000	\$225,000
Aggregate Loss Fund							
Loss Fund Period	One Year	<b>Three Years</b>	None	None	One Year	Three Years	None
Minimum Loss Fund	\$8,608,294	<b>\$9,234,171</b>	None	None	\$3,078,057	\$9,234,171	None
Excess Loss Limit	\$5,000,000	<b>\$5,000,000</b>	None	None	\$5,000,000	\$5,000,000	None
Annual Deposit Premium	\$182,642	<b>\$179,669</b>	\$133,360	\$133,360	\$160,967	\$160,967	\$152,952
Increase (Decrease)		<b>(\$2,973)</b>	<b>(\$49,282)</b>	<b>(\$49,282)</b>	<b>(\$21,675)</b>	<b>(\$21,675)</b>	<b>(\$29,690)</b>
Percent		<b>(1.6)%</b>	(27.0)%	(27.0)%	(11.9)%	(11.9)%	(16.3)%
Rate Guarantee	Two Year	<b>Three Years</b>	One Year	Three Years	One Year	Three Years	One Year
Minimum Premium		<b>\$512,057</b>	\$126,692	\$380,076	\$152,919	\$458,756	\$145,304
Comment:	Insurance Company & Agent Since 2001	<b>Insurance Company &amp; Agent Since 2001</b>	Insurance Company & Agent Since 2001 No Aggregate Insurance	Insurance Company & Agent Since 2001 No Aggregate Insurance	Insurance Company & Agent Since 2001	Insurance Company & Agent Since 2001	Insurance Company & Agent Since 2001 No Aggregate Insurance

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	Renewal F	Renewal G	Renewal I	Renewal J	Renewal K	Renewal I	Renewal J
Insurance Company	Safety National	Safety National	State National	State National	State National	State National	State National
A.M. Best	A+/XIV	A+/XIV	A/IX	A/IX	A/IX	A/IX	A/IX
Outlook	Stable	Stable	Stable	Stable	Stable	Stable	Stable
Location	St. Louis, MO	St. Louis, MO	Fort Worth, TX	Fort Worth, TX	Fort Worth, TX	Fort Worth, TX	Fort Worth, TX
Type of Company	Texas-Admitted	Texas-Admitted	Texas-Admitted	Texas-Admitted	Texas-Admitted	Texas-Admitted	Texas-Admitted
Managing Underwriter	Direct	Direct	US Specialty	US Specialty	US Specialty	US Specialty	US Specialty
Insurance Agency	Shepard Walton King	Shepard Walton King	Shepard Walton King	Shepard Walton King	Shepard Walton King	Shepard Walton King	Shepard Walton King
Agents	Raul Cabaza	Raul Cabaza	Raul Cabaza	Raul Cabaza	Raul Cabaza	Raul Cabaza	Raul Cabaza
	Arnetta Oropeza	Arnetta Oropeza	Arnetta Oropeza	Arnetta Oropeza	Arnetta Oropeza	Arnetta Oropeza	Arnetta Oropeza
Location	McAllen, TX	McAllen, TX	McAllen, TX	McAllen, TX	McAllen, TX	McAllen, TX	McAllen, TX
Policy Term	Three Years	One Year	Two Year	Two Year	Two Year	Two Year	Two Year
Coverage Limit	Statutory	Statutory	Statutory	Statutory	Statutory	Statutory	Statutory
Lifetime of Claims	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Employers Liability	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000
Self-Insured Retention							
Per Claim Lifetime	\$450,000	\$450,000	\$450,000	\$450,000	\$450,000	\$500,000	\$500,000
First Year of Claim	\$225,000	\$225,000	\$450,000	\$200,000	\$200,000	\$500,000	\$200,000
Aggregate Loss Fund							
Loss Fund Period	None	One Year	None	None	One Year	None	None
Minimum Loss Fund	None	\$3,078,057	None	None	\$5,072,108	None	None
Excess Loss Limit	None	\$5,000,000	None	None	\$5,000,000	None	None
Annual Deposit Premium	\$152,952	\$179,669	\$101,523	\$114,891	\$205,505	\$91,727	\$105,085
Increase (Decrease)	(\$29,690)	(\$2,973)	(\$81,119)	(\$67,751)	\$22,863	(\$90,915)	(\$77,557)
Percent	(16.3)%	(1.6)%	(44.4)%	(37.1)%	12.5%	(49.8)%	(42.5)%
Rate Guarantee	Three Years	One Year	One Year	Three Years	Two Year	Two Year	Two Year
Minimum Premium	\$435,913	\$170,686	\$91,371	\$103,402	\$184,955	\$82,554	\$94,577
Comment:	Insurance Company & Agent Since 2001 No Aggregate Insurance	Insurance Company & Agent Since 2001	No Aggregate Insurance	No Aggregate Insurance		No Aggregate Insurance	No Aggregate Insurance

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	Renewal K	Renewal J	Renewal K	Renewal L	Renewal M
Insurance Company	State National	New York Marine	New York Marine	Colony Insurance	Colony Insurance
A.M. Best	A/IX	A-/IX	A-/IX	A/XII	A/XII
Outlook	Stable	Stable	Stable	Stable	Stable
Location	Fort Worth, TX	Morristown, NJ	Morristown, NJ	San Antonio, TX	San Antonio, TX
Type of Company	Texas-Admitted	Texas-Admitted	Texas-Admitted	Texas-Non Admitted	Texas-Non Admitted
Managing Underwriter	US Specialty	AmWins	AmWins	Direct	Direct
Insurance Agency	Shepard Walton King	Shepard Walton King	Shepard Walton King	Montalvo Insurance	Montaalvo Insurance
Agents	Raul Cabaza	Raul Cabaza	Raul Cabaza	Ramon Montalvo III	Ramon Motalvo III
	Arnetta Oropeza	Arnetta Oropeza	Arnetta Oropeza	Jessie Villarreal	Jessie Virreal
Location	McAllen, TX	McAllen, TX	McAllen, TX	Weslaco, TX	Weslaco, TX
Policy Term	Two Year	One Year	One Year	One Year	One Year
Coverage Limit	Statutory	Statutory	Statutory	Statutory	Statutory
Lifetime of Claims	Yes	Yes	Yes	Yes	Yes
Employers Liability	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000
Self-Insured Retention					
Per Claim Lifetime	\$500,000	\$450,000	\$450,000	\$400,000	\$450,000
First Year of Claim	\$200,000	\$450,000	\$450,000	\$400,000	\$450,000
Aggregate Loss Fund					
Loss Fund Period	One Year	None	One Year	None	None
Minimum Loss Fund	\$5,072,108	None	\$3,914,094	None	None
Excess Loss Limit	\$5,000,000	None	\$2,000,000	None	None
Annual Deposit Premium	\$195,699	\$164,447	\$179,772	\$174,825	\$168,000
Increase (Decrease)	\$13,057	(\$18,195)	(\$2,870)	(\$7,817)	(\$14,642)
Percent	7.1%	(10.0)%	(1.6)%	-4.3%	(8.0)%
Rate Guarantee	Two Year	Two Year	Two Year	One Year	One Year
Minimum Premium	\$176,129	\$148,003	\$161,794	\$174,825	\$168,000
Comment:		No Aggregate Insurance		No Aggregate Insurance	Additional Cost For Surplus Line Tax; Not Regulated By Texas Dept. of Insurance; No Aggregate Insurance.