

ORANGE COUNTY  
BOARD OF EDUCATION

AGENDA ITEM ABSTRACT

Meeting Date: June 20, 2011

AGENDA ITEM No. 11-06-(2)-12

ACTION ITEM: (Y/N) Y

SUBJECT: Insurance Coverage and Options

INFO. CONTACT: Mike Parker PHONE: 732-8141

ATTACHMENTS: 1. Current Insurance Carriers and Costs for Orange County Schools

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**PURPOSE:** To consider possible alternative claims coverage.

**BACKGROUND:** Orange County Schools has participated in the North Carolina School Board Trust (NCSBT) since the 1980's. The NCSBT was formed in part as a response to the lack of availability of errors and omissions coverage through traditional insurance underwriters. NCSBT provides the current coverage to Orange County Schools for errors and omissions and auto\marine claims. Since there are now companies underwriting insurance for errors and omissions as well as auto and marine coverage, we have requested a quote from Surry Insurance for coverage from Montgomery Insurance, a company that provides coverage for a number of school districts in North Carolina. We have gathered claims history information for Surry over the past several months for this quote. Mr. Parker had not received the quotes as of the time the Board information was compiled but expects to have it for Monday night along with the costs of the current coverage through NCSBT. This will provide an opportunity to discuss the pros and cons and the financial considerations associated with a potential change in carriers.

**FINANCIAL IMPACT:** Unknown at this time.

**RECOMMENDATION:** The Superintendent recommends the Board review and discuss current and proposed insurance coverage and decide if a change in carriers is warranted.

**CURRENT INSURANCE CARRIERS  
AND COSTS FOR ORANGE COUNTY SCHOOLS**

CARRIER	POLICY	2011-12 PREMIUM
DEPARTMENT OF PUBLIC INST.	PROPERTY INSURANCE (BUILDING & CONTENT)	\$74,752
NCSBT	ERRORS & OMISSIONS/GENERAL LIABILITY	\$15,413
NCSBT	NO FAULT COV. MED. EXP. FOR ACC. INJURY \$25,000 COV.PER.AGR.	NO ADDITIONAL COST
NCSBT	AUTO LIABILITY AND PHYSICAL DAMAGE	\$20,094
SENTRY LIFE	MANDATORY STUDENT ACCIDENT INS. PAYS UP TO \$25,000	\$15,632 (1)
THE HARTFORD	WORKERS COMPENSATION	\$187,675
THE YOUNG GROUP	STUDENT CATASTROPHIC ACCIDENT INS. PAYS \$25,000 TO 1M	\$5,829 (1)(3)
NC HIGH SCHOOL ATHLETIC ASSOC.	HIGH SCHOOL ATHLETES (ONLY) CATASTROPHIC INSURANCE	\$2,164 (2)
VICTOR O. SCHINNERER & CO.	EQUIPMENT BREAKDOWN INS./ BOILER & MACHINERY	\$11,817 (1)

(1) 2010-11 premiums

(2) \$3.75 per athlete

(3) Covers all students Pre-K thru 12