

**ORANGE COUNTY
BOARD OF EDUCATION**

AGENDA ITEM ABSTRACT

Meeting Date: June 10, 2013

AGENDA ITEM No. 13-06-12

ACTION ITEM: (Y/N) Y

SUBJECT: Worker's Compensation Approval 2013-14

INFO. CONTACT: Donna Brinkley **PHONE:** 919-732-8126

ATTACHMENTS:

- 1) North Carolina School Boards Trust 2013-2014 Proposal for Workers' Compensation Coverage
- 2) Moore and Johnson Renewal for 2013-14 Workers' Compensation Coverage with The Hartford

PURPOSE: To approve the North Carolina School Boards Trust (NCSBT) and PMA Management Corporation to provide Orange County Schools with workers' compensation insurance coverage for locally and federally paid OCS employees for 2013-2014.

BACKGROUND: Effective July 1, 2012, NCSBT recommenced writing workers' compensation coverage for school districts' new claims through its Worker's Compensation Fund. NCSBT also enhanced its established partnership with PMA Management Corporation by retaining PMA's third party administrator (TPA) services to administer members' locally and federally-funded workers' compensation claims.

Since the 2005-2006 school year, Moore and Johnson has provided Orange County Schools with worker's compensation insurance options that have provided the lowest cost possible. In 2012-2013 Moore and Johnson in conjunction with The Hartford, provided Orange County Schools worker's compensation insurance at an annual cost of \$154,839. The lowest quote they could obtain for the 2013-2014 school year was \$195,607. By moving OCS worker's compensation coverage to the North Carolina School Board Trust, OCS will reduce the cost by \$1,583 over last year. Moore and Johnson's proposal would increase the cost by \$40,768.

FINANCIAL IMPACT: The cost of providing workers' compensation insurance is \$153,256.

RECOMMENDATION: The Superintendent recommends the Board of Education approve The North Carolina School Boards Trust in partnership with PMA Management Corporation to provide Orange County Schools with workers' compensation insurance coverage for locally and federally paid employees for 2013-2014.



North Carolina School Boards Trust

WORKERS' COMPENSATION FUND

Proposal For Coverage

Coverage Period: 07/01/2013 - 07/01/2014

Entity:

Orange County Schools
200 E King Street
Hillsborough, NC 27278

Classification of Operations	Manual Rate (Per \$100)	Estimated Payroll	Estimated Manual Fund Contribution
8868 Professional	0.58	15,865,016	92,017
9101 All Other Employees	4.35	961,956	41,845
Totals:		16,826,972	133,862

Proposal Notes:

***PMA Cinch® Access:**
Includes access for one user to the PMA Cinch Risk Management Information System. PMA Cinch access is optional and amount may be deducted from Annual Estimated Fund Contribution if such access is not desired. Please note that the Adjusted Fund Contribution amount includes on-line reporting of claims via the PMA system regardless of whether or not Cinch Access is purchased by your district.

****Annual Estimated Fund Contribution:**
The annual estimated Fund Contribution will be adjusted at the end of the coverage period based on actual payroll.

Experience Modification Factor:	1.24
Standard Fund Contribution:	165,989
Schedule Rating Modification:	0.90
Adjusted Fund Contribution:	149,390
*On-line PMA Cinch® Access:	500
Domestic Terrorism (\$.010 per \$100 of Payroll:)	1,683
Foreign Terrorism (\$.010 per \$100 of Payroll:)	1,683
**Annual Estimated Fund Contribution:	\$153,256

TERMS:

Workers' Compensation Coverage: Statutory

Employers' Liability Coverage:

- Bodily Injury by Accident, \$1 million each accident
- Bodily Injury by Disease, \$1 million coverage period limit
- Bodily Injury by Disease, \$1 million each employee

PROGRAM ENHANCEMENTS:

Loss Control (Included)

Unlimited access to *PMA Webservice* - an on-line portal offering a variety of safety and risk management resources for members. See attached brochure for additional information.

PMA Cinch Access (Optional)

Risk Management Information System allowing for access to on-line claim detail and 24/7 report generating capability. See attached brochure for additional information.

For information or questions regarding this coverage proposal, contact Donna Lynch at 919-747-6685 or dlynch@ncsba.org



I N S U R A N C E

**Orange County Schools
Renewal for 2013**

Class Code	Description	Expiring Payroll	Rate	Hartford 2012 Premium	Renewal Payroll	Rate	Hartford 2013 Premium	Utica	Amtrust
7380	Drivers	\$181,661	\$6.19	\$11,245	\$181,661	\$6.19	\$11,245		
8868	Schools: Professional	\$16,372,516	\$0.60	\$98,235	\$15,865,016	\$0.60	\$95,190		
9101	Schools: All Others	\$806,295	\$4.49	\$36,203	\$780,295	\$4.49	\$35,035		
	Manual Premium			\$145,683			\$141,470		
	Increased limits	1000/1000/1000	0.028	\$4,079		0.011	\$1,556		
	Subject Premium			\$149,762			\$143,026		
	NC Experience Mod		1.05	\$157,250		1.24	\$177,353		
	Scheduled Credit		1.00	\$157,250		0.13	\$23,056		
	Premium Discount		0.039	-\$6,133		0.042	-\$8,417		
	Standard Premium			\$151,117			\$191,991		
	Expense Constant			\$250			\$250		
	Foreign Terrorism	\$17,360,472	0.010	\$1,736	\$16,826,972	0.010	\$1,683		
	Domestic Terrorism	\$17,360,472	0.010	\$1,736	\$16,826,972	0.010	\$1,683		
	Premium			\$154,839			\$195,607		

Note: Amtrust and Utica declined to quote