

**ORANGE COUNTY  
BOARD OF EDUCATION**

**AGENDA ITEM ABSTRACT**

**Meeting Date:** May 28, 2014

**AGENDA ITEM No.** 14-05-(2)-07

**ACTION ITEM: (Y/N)** Y

**SUBJECT:** Workers' Compensation Approval 2014-15

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

**ATTACHMENTS:**

- 1) North Carolina School Boards Trust 2014-2015 Renewal for Workers' Compensation Coverage
- 2) Moore and Johnson Proposal for 2014-15 Workers' Compensation Coverage with Synergy

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**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 Orange County Schools employees for 2014-2015.

**BACKGROUND:** Effective July 1, 2012, the North Carolina School Boards Trust recommenced writing workers' compensation coverage for school districts' new claims through its Workers' 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.

The North Carolina School Boards Trust provided Orange County Schools with workers' compensation insurance for the 2013-2014 school year. For the 2014-2015 school year, quotes were obtained from NCSBT, as well as Moore and Johnson who provided workers' compensation insurance to Orange County Schools from the 2005-2006 school year through the 2012-2013 school year.

Moore and Johnson's proposal with Synergy for 2014-2015 is \$169,418. Orange County Schools paid NCSBT \$153,256 for workers' compensation coverage for the current year. The North Carolina School Boards Trust's renewal cost proposal is \$151,307 which is \$1,949 less than for 2013-14.

**FINANCIAL IMPACT:** The cost of providing workers' compensation insurance is \$151,307.

**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 2014-2015.



**WORKERS' COMPENSATION FUND**

**Renewal Invoice**

**Coverage Period: 07/01/2014 - 07/01/2015**

**Member:**

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	17,958,000	104,156
9101 All Other Employees	4.35	961,956	41,845
<b>Totals:</b>		<b>18,919,956</b>	<b>146,001</b>

**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:	1.06
Standard Fund Contribution:	154,762
Schedule Rating Modification:	0.95
Adjusted Fund Contribution:	147,023
*On-line PMA Cinch® Access:	500
Domestic Terrorism (\$.010 per \$100 of Payroll:)	1,892
Foreign Terrorism (\$.010 per \$100 of Payroll:)	1,892

**\*\*Annual Estimated Fund Contribution: \$151,307**

**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 Websource* - 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)

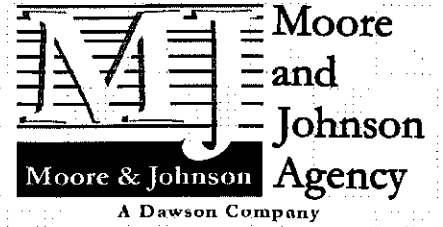
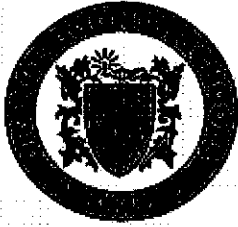
Risk Management Information System allowing for access to on-line claim detail and 24/7 report generating capability. See attached brochure for additional information.

On-Site Safety Training

On-site safety training is offered to members on topics they help choose based on their loss control needs.

For information or questions regarding this coverage proposal, contact Donna Lynch at 919-747-6685 or [dlynch@ncsba.org](mailto:dlynch@ncsba.org)

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**Orange County Public Schools  
Renewal Premium for 2014**

Class Code	Description	Renewal Payroll	Rate	Synergy Premium
7380	Drivers	\$181,661	\$7.10	\$12,898
8868	Schools: Professional	\$17,958,000	\$0.68	\$122,114
9101	Schools: All Others	\$780,295	\$4.63	\$36,128
	Manual Premium			\$171,140
	Increased limits		0.011	\$1,883
	Subject Premium			\$173,023
	NC Experience Mod		1.24	\$214,549
	Scheduled Credit		0.87	<b>\$186,658</b>
	Premium Discount		0.114	(\$21,274)
	Standard Premium			\$165,384
	Expense Constant			\$250
	Foreign Terrorism	\$ 18,919,956	0.010	\$1,892
	Domestic Terrorism	\$ 18,919,956	0.010	\$1,892
	<b>Premium</b>			<b>\$169,418</b>