

## Action Item F.2.b

### Athletic/Student Accident Insurance for 2015/2016

**Background:** MISD extended bids each year for athletic/student accident insurance. This policy has acted as primary coverage for students without personal health insurance and as secondary health coverage for students with personal health coverage. We had a bad year as far as claims, the largest ever. As a result, we did not have a rate increase in the basic plan (80% usual and customary). The base plan and catastrophic plan increased \$3,200. The plan is currently in negotiations to offer no balance billing. All the other plans offer this feature. The lowest priced plan is from Mutual of Omaha, the premium is \$16,767 less than our current carrier.

One important feature is the voluntary plan we offer our students. Our present carrier is considerably less than the other comparable quote, but Liberty Mutual offers more benefits. No one purchased this coverage last year, so it may not be an issue with families.

We have 2 options:

- A) Stay with the company we are currently with (Catlin). We had had problems with them this year in paying claims as part of the no balance/zero billing and there may not be a network for next year. I have \$50,000 budgeted which would be short of the premium (\$2,762). This would keep the money with a local agent.
- B) Go with the new company and agent (Liberty Mutual with Texas Student Resources). The premium is \$1,494 less than what I have budgeted which would help balance the budget. They have 2 networks that offer the no balance/zero billing. This would send the money to an out of town agent.

**Recommendation:** This agenda item is to meet competitive bidding laws of the State of Texas as well as securing the best contract for the school district.

#### **Sample Motion:**

"I move the approval of Texas Student Resources as the carrier for our Athletic/Student Accident Insurance and our Voluntary Student Program for 2015-2016.