Hallsville Independent School District

For the Consideration of the Board of Trustees

Date of Board Meeting:	July 27, 2026	
Agenda Item#:		
Topic:	Approval of 2026-27 Renewal of Property, Liability and Worker's Compensation Insurance Carrier and policy	

Background and Rationale:

This item is provided for the Board to consider the approval of the District's property, casualty, liability and worker's comp insurance carrier and coverage. The current District contract with TASB Risk Management Fund will end on August 31, 2026.

The proposed overall 2026-27 TASB RMF insurance premium will decrease by $35,666 to $904,891, compared to the 2025-26 rates. Workers' Compensation rates will remain stable with a slight premium increase of $6,135. For 2026-27, the weather peril related deductible will remain the same as 2025-26 at 2% and $250,000 deductible. Cyber coverage will increase from $500,000 up to $1,000,000. All other limits and deductibles remain the same from the current year's policy, the schedule of which is attached.

Attached to this agenda item is a TASB provided summary of the plan contributions, limits and deductibles for each specific coverage class.

Relationship to Strategic Plan:

Personnel Affected:

Budget Implications:

☒ Expenditures required for next year's budget

Recommendation:

The Administration recommends the approval of the 2026-27 insurance coverage with TASB RMF, with a Prop/Liab/Auto premium of $845,727 and Cost+Claims Worker's Comp premium of $59,164, as presented.

Signature
(Person Bringing Information to the Board)

Superintendent's Signature

Notification of Coverage Changes and Language Refinements
Effective July 1, 2026

As part of the annual coverage review, the TASB Risk Management Fund (Fund) implemented the following coverage changes and language refinements ***for all renewals taking effect on or after July 1, 2026***. This document is a summary of changes and refinements only; please carefully review the full text of all Fund Coverage Agreements and any applicable Contribution and Coverage Summary (CCS).

Automobile Liability & Physical Damage Coverage Agreement

- Under Section 3.4, revised the language regarding a non-owned automobile being maintained or operated to include the term "use."
- Under Section 3.5, expanded the definition of Covered Person to include the scenario of members loaning vehicles to other districts. This activity is allowed under Section 4, but this update provides additional clarity.
- Under Section 4, clarified the second sentence that grants liability coverage to non-owned autos
- Described in 3.4(B), which addresses leased, rented, and borrowed vehicles and (D), which addresses automobile career and technology programs.

School Liability Coverage Agreement

- Revised the Chapter 118 endorsement to state that losses under the endorsement do not erode the aggregate limit for other types of professional legal liability claims.
- Increased Chapter 118 limits to $1,000,000 per claim and $2,000,000 annual aggregate, with options to purchase higher limits, up to $5,000,000, for additional contribution.
- Under the Chapter 118 Endorsement, revised the position of words for clarity.
- Renamed the Chapter 118 Endorsement to Chapter 118: Employment Practices – Student Abuse and Reporting Endorsement.

Property Coverage Agreement

- Removed the single-ply membrane sublimit and replaced it with actual cash value (ACV) valuation for single-ply membrane roofs that are over seven years old. The ACV limitation will not apply to Very Severe Hail-rated single-ply membrane roofs.
- Reduced the deductible for motor-driven equipment from the all-other-perils (AOP) deductible to $2,500.
- Added language to the Flood Endorsement to describe how coverage applies when covered buildings are sited in Locations with more than one flood zone.
- Removed the application of the percentage deductible to covered property under $100,000, making this property subject to the Occurrence Minimum Deductible only.
- Under Section 7, increased the base supplemental coverage limit for Extra Expense & Loss in Revenue to $1,000,000 from $500,000.
- Increased the base sublimit for the Flood and Earthquake Endorsements to $5,000,000 from $2,000,000.
- Establish a maximum Weather Perils Deductible for freeze losses. The maximum deductible would be $1,000,000 or less depending on member size.
- Under Section 5, add language to indicate that all limitations to damage payments apply to aesthetic impairment payments as well, and that acceptance of an aesthetic impairment payment must be no later than 90 days from the determination that the loss to covered property resulted from aesthetic impairment.

- Under Section 3.4, update the definition of occurrence to improve clarity and incorporate a recommendation from the Fund's property reinsurance panel.
- Under Section 4, clarify that an increased degree of damage later discovered does not alter a previous election for payments for repairs or for ACV for the *same* property. Repair or ACV elections for unrelated damage, such as to a separate building, are not affected.

Cyber Liability & Security Coverage Agreement

- No changes.

Violent Act Coverage

- No changes.

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Contribution & Coverage Summary (CCS)
Participation Period: 9/1/2026 through 8/31/2027

The following is a summary of coverage and contribution amounts. More information about coverage, limits, deductibles, terms, and conditions can be found on the following pages and is part of this CCS. Please review all pages of this CCS document and associated Fund Coverage Agreements. ***Coverage under this CCS is contingent upon concurrent participation in the Fund's Auto, Liability, Property and Worker's Compensation programs.***

This document is not a declarations page. The Fund is not insurance but a self-insured risk pool through which members agree to share risk and actively participate in their contractual obligations as a member of the Fund.

Coverage	Contribution
Property	**$618,265**
Automobile Liability	**$59,850**
Automobile Physical Damage	**$46,686**
School Liability Including Professional Legal, General Liability, Employee Benefits Liability, & Chapter 118: Employment Practices - Student Abuse and Reporting Endorsement	**$98,926**
Cyber Liability & Security	**$22,000**
Violent Act	**No Cost**
Workers' Comp Aggregate Deductible	**$59,164**
Total Contribution	**$904,891**

THIS IS NOT AN INVOICE. The TASB Risk Management Fund will issue an invoice when coverage is accepted by the member. Total Contribution is an estimate and is subject to exposure audit.

All provisions and terms of this CCS, including contribution amounts, are offered by the Fund in total as indicated only; if not accepted by the member in total, please contact your underwriter for other options and updated pricing.

TASB Risk Management Fund • 12007 Research Blvd., Austin, Texas 78759-2439
P.O. Box 301 • Austin, Texas 78767-0301 • 800.482.7276 • tasbrmf.org
Administered by the Texas Association of School Boards

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Property Coverage Summary
Participation Period: 9/1/2026 through 8/31/2027
Total Property Contribution: $618,265

The following is an overview of the limits and deductibles for risk of Direct Physical Loss to Covered Property. Additional coverages, limits, exclusions, and terms are included in the Fund's Coverage Agreement for this Participation Period. All limits are per Occurrence unless otherwise shown.

Total Covered Value: $399,871,000

Blanket Replacement Cost

Coverage	Limit	Deductible
All Perils except Weather Perils	$399,871,000	$100,000
Weather Perils except Named/Numbered Windstorm	$399,871,000	2% Minimum $250,000 Maximum $5,000,000 Freeze $250,000
Extra Expense & Loss in Revenue	$1,000,000	Included
Named/Numbered Windstorm Endorsement	$50,000,000	2% Minimum $250,000 Maximum $5,000,000
Terrorism Endorsement	$399,871,000	$100,000
Crime & Employee Dishonesty Endorsement	$100,000	$5,000
Flood Endorsement (Annual Aggregate Limit)	$5,000,000	$50,000
Earthquake Endorsement (Annual Aggregate Limit)	$5,000,000	$50,000
Equipment Breakdown Coverage	$100,000,000	$50,000

Other Coverage Limits & Deductibles	Limit per Occurrence	Deductible
Aesthetic Impairment (metal roofs only)	50% cost to repair/replace, maximum $1,000,000	Peril Deductible
Animals (livestock only)	$25,000	Peril Deductible
Art, statues, or antiques	$100,000	Peril Deductible
Code compliance	Up to 10% of the Loss amount, maximum $1,000,000	Peril Deductible
Debris removal	Up to 25% of the Loss amount	Peril Deductible
Electronic data replacement	$50,000	Peril Deductible
Food spoilage	$100,000	Peril Deductible
Landscaping	Up to $1,000 per tree, shrub, or landscaping plant, maximum $25,000	Peril Deductible
HVAC units	Actual Cash Value	Peril Deductible
Motor-driven Equipment Coverage Deductible	Coverage Limit	$2,500 per piece of equipment
New construction or renovation by employees	$1,000,000	Peril Deductible
Pollutant clean-up	$100,000	Peril Deductible
Single-ply roof upgrade	Up to 125% cost to repair/replace, maximum $250,000	Peril Deductible
Temporary repairs	Up to 10% of Building Damage	Peril Deductible
Vital documents and records	$50,000	Peril Deductible

Property Coverage Provisions

Weather Perils: Weather Perils is an Occurrence of wind, hail, convective storm, or freeze. The Weather Perils Limit and Deductible shown on this CCS will apply to Loss (including ensuing Loss) by a Weather Peril. Weather Perils does not include Named/Numbered Windstorm.

Named/Numbered Windstorm: Named/Numbered Windstorm (NWS) is an Occurrence of hurricane, typhoon, tropical cyclone, tropical storm, or tropical depression (but not other convective storms) that is designated by name or number by the National Weather Bureau, National Hurricane Center, or any recognized meteorological authority, including any related wind-driven rain, flood, tidal water or wave, storm surge, wave wash, surface water, overflow of bodies of water, or spray from any of these conditions. The NWS Limit and Deductible indicated on this CCS will apply to Loss (including ensuing Loss) by an NWS.

However, any flood-related Loss (including ensuing Loss) during an NWS Occurrence will be considered a separate Flood Occurrence with a Flood Limit as indicated on this CCS. For all other NWS Loss (including ensuing Loss) during this combined perils event, the NWS Limit indicated on this CCS will apply. Only the higher deductible of the two perils will apply during this combined perils event.

Percent Deductible/Occurrence Minimum Deductible: General. When Covered Property sustains a Loss caused by a Weather Peril or NWS, the Fund Member's deductible will be a Percent-based Deductible or an Occurrence-based Minimum Deductible. For Covered Property of $100,000 or over, the higher deductible applies. For Covered Property under $100,000, the Occurrence Minimum Deductible applies only.

Deductible calculation. The Percent Deductible amount will be calculated based on the designated percent, as shown on the CCS, applied to the Total Covered Value of a Loss-affected Covered Property (including Personal Property contents) in the Statement of Values schedule, which is considered a part of this CCS. This designated percent is reflected on the schedule as the deductible dollar amount listed under a Loss-affected Covered Property's deductible column.

Covered Property that does not appear on the Statement of Values schedule and sustains a Loss will be subject to the applicable deductible based on its Total Covered Value at the time of the Loss.

Multiple-Covered Property Loss. In the case of multiple $100,000 or over Loss-affected Covered Properties, the member will incur a Percent Deductible for each property, calculated the same as one Loss-affected Covered Property only. These Percent Deductible amounts will be added to determine the Total Percent Deductible amount for comparison with the Occurrence Minimum Deductible amount. (However, for payment purposes, the Total Percent Deductible calculation below will not affect the Percent Deductible application to each Covered Property.)

To determine whether the Total Percent Deductible amount or the Occurrence Minimum Deductible amount applies when multiple Covered Properties are Loss-affected, only the actual Loss amount within each property's Percent Deductible amount will apply toward the summed Total Percent Deductible amount, which is then compared with the Occurrence Minimum Deductible amount; the higher deductible applies.

Payment obligation. For Covered Property $100,000 or over, if the Fund has any payment obligation above the Occurrence Minimum Deductible, this payment will be based on the Loss amount for each Covered Property exceeding that property's scheduled or determined Percent Deductible amount.

For Covered Property under $100,000, if the Fund has any payment obligation, this payment will be based on the Loss amount exceeding the Occurrence Minimum Deductible.

Occurrence Minimum Deductible—General. Regardless of the Total Percent Deductible, the amount of Loss sustained, the number of Loss-affected Covered Properties in an Occurrence, or any other factor, in no event will the member's Percent Deductible obligation (Total or individual) be less than the Occurrence-based Minimum Deductible listed on the CCS.

Location: A Location is a single street address that is the site of the Covered Property. Locations may have multiple Covered Properties, including structures.

Flood Zone Exclusions: The Fund Member's Covered Property (as defined in the Coverage Agreement) is excluded from coverage under the Flood Endorsement of the Coverage Agreement if more than 15% of the Location subject to loss is located in any Special Flood Hazard Areas (SFHA) beginning with 'A' or 'V' as identified on the most recently published pre-Loss FEMA Flood Insurance Rate Map (FIRM).

Other Limits: If more than one Per Occurrence Limit may be applicable, the Fund will determine which limit or limits will apply.

Statement of Values: The Statement of Values schedule will be provided to the Fund Member before the beginning of the Participation Period and is considered incorporated into the Agreements between the Fund and the member. The Fund Member agrees to allow the Fund to conduct property appraisals of the Fund Member's property periodically and agrees to accept values provided by the Fund. The Fund reserves the right to adjust the Fund Member's contribution for newly-constructed Buildings or Other Structures that are Covered Property and accepted within the Participation Period based on the certificate of occupancy date. The Fund reserves the right to adjust the Fund Member's contribution for newly-acquired Buildings or Other Structures that are Covered Property and acquired within the Participation Period based on the acquisition date.

Salvage: The Fund will have the right, at its discretion, to exercise rights of salvage to any damaged property paid for or replaced under the terms of this Agreement.

Single Ply Membrane: 'Single Ply Membrane' is a synthetic roofing material that includes EPDM, TPO, and PVC membranes.

Fund Member Mitigation: As indicated in the Property Coverage Agreement, including Sections 9.29 and 12.5, the Fund Member must preserve Covered Property before and after Loss, or the Fund may exclude coverage.

Fund Member Notice: As indicated in the Property Coverage Agreement, including Section 13.1, time is of the essence for the Fund Member to give notice of a claim for all Loss. Coverage is only available if the Fund Member reports all Loss within 365 days of an Occurrence.

Limit Elimination: The Fund may reduce all Property limits to zero and cease all payments (promised or otherwise) to the member for any claim under this CCS if the Fund's applicable property reinsurance coverage exhausts during the Participation Period through any property claim payment to any Fund Member.

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Automobile Coverage Summary
Participation Period: 9/1/2026 through 8/31/2027
Total Automobile Contribution: $106,536

The following is an overview of the limits and deductibles for risks associated with the ownership, maintenance, or use of Covered Automobiles. The Fund's Coverage Agreement includes additional coverages, limits, exclusions, and terms for this Participation Period.

Coverage	Limit	Deductible
Auto Liability – Combined Single Limit	$2,000,000	$2,500
Automobile Physical Damage - Collision	Actual Cash Value	$2,500
Automobile Physical Damage - Comprehensive	Actual Cash Value	$2,500
Automobile Physical Damage - Catastrophic See Auto Liability & Physical Damage Coverage Agreement Part C 12.3	Actual Cash Value	$50,000
Supplemental Coverage – Private Passenger Rental Expense (Theft only) See Auto Liability & Physical Damage Coverage Agreement Part C 9.3	$50 per day up to $1,500 total	Included
Non-Owned Auto	Automobile Liability Limit	Automobile Liability Deductible

Automobile Coverage Provisions

Statement of Values: The Fund Member has provided the Fund with the most complete and accurate listing of vehicles owned and leased by the Fund Member and will make this listing current throughout the Participation Period. The Fund Member agrees to allow the Fund to conduct vehicle appraisals of the Fund Members' fleet periodically and agrees to accept values provided by the Fund, if any.

Salvage: The Fund will have the right, at its discretion, to exercise rights of salvage to any damaged property paid for or replaced under the terms of this Agreement.

Excluded Vehicles: Vehicles specifically listed on this CCS are excluded from all Automobile coverage as noted under 'Exclusion.'

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School Liability Coverage Summary
Participation Period: 9/1/2026 through 8/31/2027
Total School Liability Contribution: $98,926

The following is an overview of the limits and deductibles for legal, general, and other liability risks. The Fund's Coverage Agreement includes additional coverages, limits, exclusions, and terms for this Participation Period.

Coverage	Limit	Deductible
Professional Legal Liability	$1,000,000 Limit Per Claim $1,000,000 Maximum Annual Aggregate	$10,000
General Liability	$1,000,000	$0
Employee Benefits Liability	$100,000	$0
Chapter 118: Employment Practices – Student Abuse and Reporting Endorsement	$1,000,000 Limit Per Claim $2,000,000 Maximum Annual Aggregate	$10,000

School Liability Coverage Provisions

Known Prior Wrongful Acts: As indicated in the School Liability Coverage Agreement, including Section 4.1, the Fund Member agrees that all known prior Wrongful Act (including previously reported acts) that may result in a legal claim against the Fund Member have been fully disclosed to prior carriers, including the Fund, and no coverage will apply to these acts under this CCS. However, this CCS does not void coverage afforded to the Fund Member under any previous CCS.

Fund-requested Settlement Contributions: As indicated in the School Liability Coverage Agreement, including Section 4.6, the Fund may request a monetary or non-pecuniary contribution from the Fund Member to address the portion of a Claim that is not covered by the Coverage Agreement so that the Fund can settle the Claim in its entirety. Any refusal by the Fund Member to contribute to the settlement as requested by the Fund will result in the Fund Member being responsible for further defense costs and indemnity payments other than what the Fund would have paid.

Chapter 118: Employment Practices – Student Abuse and Reporting Endorsement Coverage: As indicated in the School Liability Coverage Agreement Chapter 118: Employment Practices – Student Abuse and Reporting Endorsement, the Fund will provide limited coverage for K-12 school districts for Claims arising from allegations under Chapter 118 of the Texas Civil Practice and Remedies Code. This endorsement excludes coverage under the General Liability Coverage and provides claims-made coverage under the Professional Legal Liability Coverage. The coverage for state court Chapter 118 Claims only (those Claims that are filed and adjudicated in, or remanded to, the state courts of Texas) will have Claim Expense within the CCS-indicated per Claim and annual aggregate limits of liability.

Non-Chapter 118 Professional Legal Liability Claims: The aggregate limit for non-Chapter 118 Professional Legal Liability Claims will not decrease due to any Damages or Claim Expense arising from Chapter 118 Claims.

TASB Risk Management Fund • 12007 Research Blvd., Austin, Texas 78759-2439
P.O. Box 301 • Austin, Texas 78767-0301 • 800.482.7276 • tasbrmf.org
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Cyber Liability & Security Coverage Summary
Participation Period: 9/1/2026 through 8/31/2027
Total Cyber Liability & Security Contribution: $22,000

The following is an overview of the limits and deductibles for cyber liability & security risks. The Fund's Coverage Agreement includes additional coverages, limits, exclusions, and terms for this Participation Period.

Coverage	Aggregate Limit Per Event	Deductible
Cyber Liability & Security	$1,000,000	$0

Coverage Lines and Sub-lines Subject to Sub-limits	Sub-limit Subject to the Aggregate Limit Per Event	Deductible
Fraudulent Instruction	$100,000	$0
Funds Transfer Fraud	$250,000	$0
Telephone Fraud	$250,000	$0
Criminal Reward	$100,000	$0
Cryptojacking	$250,000	$0
Invoice Manipulation	$100,000	$0

Cyber Liability & Security Coverage Provisions

No Known Losses: Fund Member certifies that all known or reported events occurring prior to the effective date of this coverage, as applicable, which it is reasonably believed may result in a claim under this coverage have been fully disclosed or reported.

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Workers' Compensation – Aggregate Deductible
Participation Period: 9/1/2026 through 8/31/2027
Total Workers' Compensation – Aggregate Deductible Contribution: $59,164

The following is a summary of estimated payrolls and contribution for Workers' Compensation coverage. The Contribution and Claims Liability amounts shown are subject to audit at the end of the Participation Period.

Classification	Estimated Payroll	Net Annual Rate	Estimated Contribution
7380 - BUS DRIVERS	$1,310,000	0.00429237	$5,623
7720 - POLICE OFFICER	$517,000	0.00509671	$2,635
8810 - CLERICAL OFFICE EMPLOYEES	$2,573,447	0.00048301	$1,243
8868 - PROFESSIONAL/ADMINISTRATON	$34,900,600	0.00099248	$34,638
9101 - ALL OTHERS	$2,090,000	0.00718900	$15,025
Total	**$41,391,047**		**$59,164**

Estimated Contribution	**$59,164**
Estimated Claims Liability	**$170,577**
Estimated Maximum Program Cost	**$229,741**

Workers' Compensation – Aggregate Deductible Provisions

Claims Liability: The Fund Member agrees to reimburse the Fund for amounts paid for workers' compensation claims with injury dates within the Participation Period up to the Claims Liability amount (Aggregate Deductible). The Fund will pay claims in excess of the Claim Liability amount.

Benefit Limits: Workers' Compensation benefits paid to the Fund Member's employees under this CCS will be as defined in the Texas Workers' Compensation Act (the Act). The Fund is responsible for claims payments as reflected in this CCS. This CCS does not cover the defense of any suit or claim against a Fund Member except a workers' compensation claim by an eligible employee or former employee of the Fund Member for the payment of statutory workers' compensation benefits.

Cooperation: The Fund Member designates the TASB Risk Management Fund as the Workers' Compensation claim administrator of record for all purposes. The Fund Member agrees to use the Fund's contractors for services related to the administration of claims and to follow the Fund's election under Section 504.053 of the Labor Code to direct care through the Political Subdivision Workers' Compensation Alliance.

Claims Reporting: For Workers' Compensation claims arising during the Participation Period, the Fund Member agrees to report those claims timely and solely to the Fund. The report of Workers' Compensation claims to any other entity will waive all Fund liability under this agreement for those claims, regardless of reporting sequence. Any fines levied against the Fund for the Fund Member's failure to comply with the rules and regulations of the Act will be the Fund Member's sole responsibility.

Seasonal Benefits Adjustments: The Fund adjusts weekly workers' compensation Temporary Income Benefits (TIBS) to zero during specific holiday periods. Benefit adjustments are always made during the summer, Thanksgiving, spring, and winter breaks. Other extended holiday periods may also trigger benefit adjustments.