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TEXAS POLITICAL SUBDIVISIONS

JOINT SELF INSURANCE FUND

"Complete Workers' Comp and Property/Casualty Solutions"

P.O. Box 803356 • Dallas, Texas 75380-3356

800-588-0013 • 972-361-6300 • www.tpspool.org

Quality Since 1983

Successful Partner Credit

TPS appreciates all of our Members, especially those who have been loyal to our program.

But the biggest reason for our success is Members like you, who truly act as partners with TPS in working to control your claims losses through good supervision, good training, loss control programs, and maintaining safe work environments.

Our Board of Trustees has decided to replace our old program of mailing Dividend checks to Members with our new *Successful Partner Credit* program. This credit is based on your loyalty to TPS and your outstanding claims loss ratio, which together grant you special status.

You will see the credit applied directly to your renewal price as a reduction in your total price for coverage.

Again, we appreciate all that you do, and we are always here to assist you in any way that we can.

Sincerely,

Randal M. Beach
Executive Director / CEO

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**Executive
Director/CEO**

Randal M. Beach

August 15, 2014

Tom Green County
113 W. Beauregard
San Angelo, Texas

Honorable Judge Steve Floyd

Events of the past several years have brought many changes and challenges to the international insurance market. These changes in the market have affected the ability of all brokers to locate insurance coverage at a scope and cost of insurance placed in prior years. In addition, insurance carriers have suffered significant losses that may jeopardize their financial stability.

As a matter of policy, USI endeavors to obtain quotations and indications from insurance companies who meet or exceed the USI minimum guidelines for A. M. Best Ratings of companies. Due to the current insurance market conditions, USI has increased its minimum standard for insurers to A-.

You have instructed us to proceed and bind Workers Compensation coverage with Texas Political Subdivisions Joint Self Insurance Fund effective October 1, 2014. This entity does not have a rating from A.M. Best because it is a self insurance fund. This does not meet our minimum standard of A- from the A.M. Best Company, a recognized publisher of information concerning insurers based on many factors including financial stability. An insurance company's financial conditions, can of course, affect its ability to pay claims.

Please sign below and return to us to acknowledge your agreement to placement with Texas Political Subdivisions Self Insurance Fund. If you would prefer to explore possible placement with another carrier, please contact our office immediately. Please be advised that another carrier may have more restrictive terms, increased premiums, increased deductibles, or other terms not present with your current carrier.

Very truly yours,

Marshall Huling

AGREED:

Tom Green County

By:  Date: 8-26-14

Stephen C. Floyd, County Judge

TEXAS POLITICAL SUBDIVISIONS JOINT SELF-INSURANCE FUND

PROPOSAL

Tom Green County

Rating Period

October 1, 2014

to

October 1, 2015

COVERAGE for RATING PERIOD	LIMIT of LIABILITY	TOTAL ANNUAL CONTRIBUTION
Workers' Compensation Injury or Illness - Each Employee	Statutory	\$ 124,623
Employers' Liability Bodily Injury by Accident - Each Accident Bodily Injury by Disease - Each Employee Bodily Injury by Disease - Interlocal Agreement	\$1,000,000 \$1,000,000 \$1,000,000	Included
Annual Contribution:		\$ 124,623
Successful Partner Credit:		\$ (4,125)
Total Annual Contribution		\$ 120,498
Renewable for Three Years		

Payment Options:

<u>TPS's Proposal offers a monthly pay plan as follows:</u>	Deposit	\$17,692
	Each Installment	\$9,346
	Number of Installments	11
<u>TPS's Proposal offers a quarterly pay plan as follows:</u>	Deposit	\$36,378
	Each Installment	\$28,040
	Number of Installments	3
<u>TPS's Annual Pay Plan :</u>	Single Payment	\$120,498

Member: Tom Green County

Effective: 10/1/2014

Expiration: 10/1/2015

Guaranteed Cost

(1) Total Manual Contribution Before Adjustment (Column Total)	357,721	(5) Line 3 X Factor on Line 4 = Standard Contribution	251,764
(2) Increased Employers Liability Factor	1.02	(6) Fund Factor	0.495
(3) Line 1 X Factor on Line 2 = Adjusted Manual Contribution	364,875		
(4) Experience Modifier	0.69		
		Basic Contribution:	124,623
		Successful Partner Credit:	(\$4,125)
		Total Contribution:	\$ 120,498

Renewable for Three Years

Options:

TPS Guaranteed Cost Quote offers a monthly pay plan as follows:
Initial installment of \$17,692
with 11 monthly installments of \$9,346

TPS Guaranteed Cost Quote offers a quarterly pay plan as follows:
Initial installment of \$36,378
with 3 quarterly installments of \$28,040

TPS Annual Pay Plan : \$120,498