

**Commercial Insurance Plans**

A district may procure contracts with any insurance company authorized to do business in Texas to insure its employees. Policies may include group health, accident, accidental death and dismemberment, disability income replacement, and hospital, surgical, and/or medical expense insurance, or a group contract providing for annuities. Dependents of employees may be insured under group policies which provide hospital, surgical, and/or medical expense insurance. *Insurance Code 3.51*

Exception

A district that participates in the uniform group coverage program established under Insurance Code Article 3.50-7 may not procure or renew commercial health insurance coverage after the uniform group coverage is implemented in the district. *Insurance Code 3.51(b)* [See CRD]

**Premium Payments**

Any portion of the commercial insurance premiums paid by a district shall be from local, not state, funds. *Insurance Code 3.51(b)*

A district may deduct from an employee's salary the employee's contribution for the premiums if authorized to do so in writing by that employee. *Insurance Code 1131.303(c)*

**Self-Insurance Fund**

A district may issue bonds, certificates, notes, and other obligations, the proceeds of which shall be used for all or any portion of a self-insurance fund to protect the district and its officers, employees, and agents from any insurable risk or hazard, or use any funds or money available to the district for the self-insurance fund. If a district desires to issue bonds payable from ad valorem taxes for this purpose, it shall comply with the requirements of Education Code 45.003.

A district may purchase reinsurance for a risk covered through the self-insurance fund. Any law or regulation requiring insurance may be satisfied by coverage provided through the self-insurance fund. Any law or regulation requiring a certificate of insurance or an insurance agent's signature, countersignature, or approval may be satisfied by a certificate of coverage issued on behalf of the district demonstrating that coverage is provided through the self-insurance fund.

*Gov't Code 2259.031*

**Designated Broker of Record**

A district may not use a designated broker of record to purchase insurance contracts with premiums of an aggregate value of \$50,000 or more for each 12-month period. If a district expends less than \$50,000, in the aggregate, on insurance premiums for each 12-month period, the district may use a designated broker of record to purchase insurance contracts, but the board shall ensure that the use of a designated broker of record is in the district's best interest

and select a designated broker of record in a manner it determines is consistent with good business management. *Atty. Gen. Op. JC-0205 (2000)*

**Risk-Retention  
Groups**

A district may become a member of a risk retention group or purchasing group created under the Federal Liability Risk Retention Act of 1986 for the purpose of obtaining insurance against any insurable risk. *Gov't Code 2259.061*