

SCHOOL BOARD MEETING AGENDA ITEM INFORMATION FORM

MEETING DATE	June 5, 2007
AGENDA ITEM	Subrogation Settlement Agreement
INFORMATION SUBMITTED BY	Danny Modisette

COMMENTS

The Plano ISD Employee Health Benefit Plan (Plan) pays in advance for claims resulting in accidents where third-party involvement is present. In these instances, the covered member signs a subrogation agreement to reimburse the Plan, when a settlement from other insurance is finalized. Infrequently, some settlements are not always for the total amount expended by the Plan. In these instances an agreement is made, based on the total amount available in the insurance limits of the offending party.

We are recommending settlement for 1/3 of the insurance funds available to a covered member, injured in a motor vehicle accident, for \$25,000. (Details regarding this claim is provided in a separate document, to satisfy HIPAA regulations). While this is less than the expended funds for this claim, it is 1/3 of the benefits available to the member. However, by accepting this agreement, the district is assured of receiving at least \$25,000 to offset claims paid.

BUDGET AND/OR FUND IMPACT

Subrogation recovery replenishes the self-funded health plan.

RECOMMENDATION

Approve the settlement agreement for \$25,000.