

Myth Buster: Facts About How the TASB Risk Management Fund Offers Reliable Risk Solutions to Texas Public Education Entities

In light of a resolution recently passed by the Texas State Republican Executive Committee, here's a list of inaccurate statements about the TASB Risk Management Fund and a closer look at the facts.

Myth: "TASB-retained attorneys and risk-management consultants withhold critical information from elected trustees unless those trustees first agree to recuse themselves, thereby interfering with trustees statutory and constitutional duties and risking violation of the Texas Open Meetings Act (Chapter 551, Texas Government Code)."

This is false. While the TASB Risk Management Fund (TASB RMF) does pay covered legal defense expenses for members of its school liability program, the attorneys are retained by the member districts — not TASB RMF — to ensure independent legal representation and advice. This establishes attorney-client privilege so candid and complete conversations can occur between a district's authorized administrative and trustee leadership team and their legal representatives as may be required by statutory and constitutional requirements, including the Texas Open Meetings Act.

Myth: "Districts seeking to exit TASB's risk pools routinely face punitive tail-coverage, non-cancelable multi-year commitments, and threats of being unable to secure replacement coverage."

This is false. TASB RMF does not currently offer multi-year coverage agreements to its members. Coverage agreements issued to its members each year are for 12 months, or **SHORTER** if requested by the district.

TASB RMF members are offered a renewal proposal **EVERY** year, and districts can choose to renew coverage for another year or discontinue participating in the TASB RMF program. There are no financial penalties when districts elect to not renew their membership in TASB RMF coverage programs. (Since TASB RMF operates as a cooperative risk pool, members are not allowed to cancel their coverage mid-term unless the district dissolves or consolidates since mid-term cancellations would affect costs for other members).

Additionally, as part of its commitment to value and transparency, TASB RMF always encourages districts to routinely issue requests for coverage proposals to test the market and help determine best value for the district. In fact, the Fund responds to hundreds of these competitive bid requests for risk pool coverage every year, including bid requests from TASB RMF's own members.

Myth: “The TASB RMF extracts ever-higher payments for Texas property taxpayers while providing coverage that is frequently more costly and less responsive than competitive private-sector alternatives.”

This is false. TASB RMF’s coverage is tailored for Texas public school districts and is often the most affordable option for ISDs. Coverage terms and features are among what TASB RMF believes to be the broadest available with fewer limitations and exclusions compared to other risk pools and traditional insurers. Fund member contributions are based on actuarially determined estimates of expected losses and program costs. Membership costs **DO NOT** include expensive insurance broker and agent commissions, which may be included in some private-sector insurance pricing.

In fact, as a self-insured risk pool, TASB RMF is solely accountable to members, not to stockholders seeking profits. The 21-member TASB RMF Board, made up of school board trustees and district administrators from across Texas, provides oversight to the Texas Association of School Boards, Inc. (TASB) and its employees who, by contract, administer the Fund. That governance structure provides accountability and financial oversight as well as helps to ensure that coverage and programs are responsive to the unique risk exposures facing Texas public schools.

It’s also important to note that TASB RMF’s track record of providing reliable risk solutions to school districts and other public education entities is one of the longest in the nation. In fact, with more than 50 years of continuous service, TASB RMF is the longest-standing school risk pool in Texas.

That history of support, amid many challenges in the insurance industry over decades, has provided budget stability and certainty to TASB RMF members when employees are injured on the job, storms and hail damage buildings, district vehicles are involved in accidents, or litigation is filed.

Myth: “Through its Risk Management Fund and related programs, TASB has secured a virtual monopoly controlling a majority of the property, casualty, liability, workers’ compensation, and cyber insurance market for Texas public school districts, leaving most districts with no viable alternative.”

This is false. There is a strong competitive market for risk pools and traditional insurance markets for Texas public school districts. TASB RMF has been a steady provider for more than 50 years and competes head-to-head with at least a half dozen other risk pools in the state, as well as with traditional insurance carriers.

TASB RMF is another example of how TASB has stepped in and developed programs and services for public schools when there’s a gap in solutions provided by the others. [Learn more about the TASB RMF’s history.](#)

A goal of TASB’s work, including affiliated entity programs like TASB RMF, has been to help school districts find cost-effective, high-quality solutions to operate more efficiently and make the best use of every local tax dollar.

A key differentiator for TASB RMF is its commitment to providing high-quality training and support to help members in seeking to prevent, reduce, and mitigate potential risks before they turn into costly claims. TASB RMF also recognizes that relationships matter. Because TASB RMF is not an insurance company, interactions with members are more than transactional. TASB RMF is committed to forging meaningful and longstanding relationships with member school districts in support of their students, staff, and communities.