

ROBERT V. REIM COMPANY

INSURANCE CONSULTING
BID MANAGEMENT



SCHOOL INSURANCE NEWSLETTER

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Insurance Market Update

Renewals with the risk pools are 15-20% higher than current premiums. Property insurance with standard insurance companies in the hail prone areas, not only is more expensive, but the deductibles have increased significantly as respects Wind and Hail.

Insurance companies and risk pools have taken a real beating within the last few years. Our guess is that this year's increases were not enough. Coupled with the hail losses in 2016, we predict that you can expect an increase in 2017 also. Member equities have been reduced considerably to pay claims. Be certain to check your risk pool's financials.

Repeating this warning from a previous newsletter... "If you are presented a % deductible, be certain that the % deductible only applies to the **damaged** or affected property and is not calculated by location or on the entire schedule. **The % deductible is not a % of the claim; it is a % of the insured value.** The same goes for the deductible minimum; the minimum should be applied to the entire occurrence. Some companies apply the minimum to each location or building." If you purchase a % deductible, consider purchasing a maximum deductible.

We recently reviewed Property insurance coverage for a district that experienced a hail storm causing approximately \$6,000,000 in damage. With their 1% deductible and \$100,000 location deductible, the total deductible was \$1,700,000. The storm only affected 20% of their total schedule.

Texas School Law Bulletin

The 2016 edition of this important resource is now available: hard cover \$65, soft cover \$60, CD-ROM or Flash Drive \$15. [http://tea.texas.gov/About TEA/News and Multimedia/Publications by Title/#](http://tea.texas.gov/About%20TEA/News%20and%20Multimedia/Publications%20by%20Title/#). The book contains 1,556 pages of statutes which affect Texas schools and 273 index pages.

Vendor & Organization Drone Liability Insurance Requirements

The use of drones, especially by contractors, insurance adjusters and underwriters, has become commonplace. Organizations are also using them. Because a certificate of insurance does not reveal whether or not coverage is provided, specific insurance requirement language that specifically addresses drones is needed. Drone liability is not commonly covered by standard Liability insurance, as most policies exclude damage by aircraft. As respects your school's liability for drones, many of the school risk pools are now automatically providing coverage.

Vendor Cyber Liability – Personal Information

Many districts are using outside learning resources. Those vendors' computers have students' personal information on them. Requiring Cyber Liability insurance is important, but a certificate of insurance will not provide the information that you really need. What questions do you ask? In what format? How can you be certain that the vendor has insurance protection? One option is to obtain a letter from the insurer specifically addressing your list of coverage questions.