

# ROBERT V. REIM COMPANY

INSURANCE CONSULTING  
BID MANAGEMENT



## SCHOOL INSURANCE NEWSLETTER

*June 2016*

### **Insurance Market Alert**

We are seeing increased pricing and increased deductibles for Property insurance because of the disastrous hail storms, particularly in the Dallas and San Antonio areas. Expect Auto increases also. Other premiums are also increasing to offset needed Property increases when Property and Casualty coverages are with the same company.

One stock insurance company announced they were insuring no additional school districts effective immediately. Their current school clients can expect up to 20% increases in Wind/Hail rates with a % deductible.

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.**

The same goes for the minimum deductible. Here we want the minimum applied to the occurrence. Some apply the minimum to each location or building.

Another stock company withdrew its proposal two days before renewal after a hail storm damaged the district's property. And another company is not offering renewals at all.

Some risk pools have indicated price increases for this fall. Just this week we received a proposal with a 13% renewal increase, which we feel, is acceptable.

Just this week, of five agents involved with a preferred District in northeast Texas, three have withdrawn, stating that their assigned companies would not offer competitive quotes.

Begin renewal negotiations now. It may be too late to bid your district's Property insurance this year, but if you do, it is not unusual for a school district to separate the Property coverage from the Casualty (Liability) coverages.

### **Tier 2 Property Renewal**

One of our Tier 2 clients received a Property renewal offer from the leading insurer of coastal property that is less than the current premium. The most unusual part of the offer is that the proposal included a second year premium at a further discount.

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