



SCHOOL INSURANCE NEWSLETTER

June 2018

Market Conditions

Gulf Coast districts generally experienced a relatively soft market, with several schools receiving reduced rates, as five of our seven early engagements did. Rates for 2018 ranged from \$.10 to \$.16 for Tier 2, and \$.22 to \$.33 for Tier 1 properties. Do not expect this to continue. When RMS 18 (loss modeling estimate) is calculated, expect rates to increase dramatically.

Inland Texas is a different story. We are just now seeing renewals; so far the rates also range from \$.10 to \$.16 – for some districts that is a huge increase. Larger districts should expect percentage deductibles. To see the effect, calculate the concentration of values that might be affected by a tornado. Multiply the replacement cost values times the % deductible; e.g., \$100,000,000 value (high school, middle school, elementary school) at a 5% deductible would be a \$5,000,000 deductible. How much deductible can your district afford?

We have recently been advised that two risk pools will not have September 1 proposals available until at least the third week of July. The delay may be due to reinsurance negotiations.

Shooter

The Governor has recently announced the State's plans to aid in the event of an "active shooter". After attending seminars on the subject and hearing experts on television, we are all now familiar with the most effective reactions to a shooter 1) Run, 2) Hide, 3) Fight. Would it make sense to install hotel privacy locks on classroom doors? Such locks only cost about \$20 and could be installed by district maintenance personnel over the summer. Doors could still be opened slightly to see if someone needs to get into the room. How do you allow entrance with automatic locks? In a mock event, we were instructed to lie on the floor, because shooters typically shoot at shoulder or waist height.



Go to "I Luv U Guys" Foundation [website](#) for information on Standard Response Protocol. TASB RMF will be holding a Safety & Security Summit for Districts, September 13, 2018 in Round Rock.

Be sure your district has provided floorplans for each of your classroom buildings to your local police and fire departments.

More on Insurance. If your district's police force is not adequately trained to deal with shooters, consider contracting with local law enforcement for a presence in your high schools, at a minimum. In order to avoid Worker's Compensation and Liability insurance problems, contract with the agency so that the agency's insurance will apply. If you hire officers directly, they may not be insured. Whenever possible obtain Additional Insured and Waivers of Subrogation.

Does your risk pool or insurance provide Crisis Management Coverage? For an insurance related discussion, see this article from our [May Newsletter](#).