

ROBERT V. REIM COMPANY

INSURANCE CONSULTING

BID MANAGEMENT



SCHOOL INSURANCE NEWSLETTER

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Why Losses Elsewhere Affect Texas Premiums

All insurers only retain a portion of the risk. Above the retention levels (deductibles) they purchase reinsurance. For example, risk pools retain the first \$100,000 - \$500,000 of any Wind/Hail claim. Above that there may be several reinsurers or layers of reinsurers.

Those reinsurers have taken big "hits" not only in the US but across the globe. AIG (Lexington) has forecasted \$1.5 to \$1.7 billion in catastrophic losses for the third quarter. It has a retention of \$750 million. (Insurance Journal)

Reinsurance pricing will definitely affect Texas premiums for the coming year.

Will General Liability or Educators Legal Liability Apply?

Round Rock ISD has been notified that a \$6 million suit has been filed in Federal Court against the district because a four-year-old was locked out of school after recess. The suit requests \$5 million in punitive damages (not typically covered by insurance). (Austin Statesman)

A Leander ISD bus driver allegedly drove past barricades and was swept away by flood waters. Apparently, a child on the bus called their parents. Both were rescued after several minutes, but imagine the stress on the child. The driver was jailed. <https://www.kxan.com/news/local-news/video-leander-isd-school-bus-swept-away-in-floodwaters/1552929235>. Is this type of accident covered by Auto Liability and subject to the \$100,000 immunity limit?

Will the districts be able to assert immunity? Texas immunity does not apply when suits are filed in Federal Court. Lawyers' fees will be hefty. Are your General Liability and Educators Liability with the same insurer? Is your Auto Liability with the same company? Does your Educators Liability exclude coverage if the occurrence involved an Auto? Does your district have sufficient Liability limits?

HB 89 & SB 252 Verifications Required

HB 89 (Government Code §2270) requires verification that contracted companies do not boycott Israel.

SB 252 (Government Code §2252.152-.153) requires verification that contracted companies do not do business with Iran, Sudan or a Foreign Terrorist Organization.

For examples of these and other often required forms, go to our web page. [RFP Required Forms](#).

Contractor Background Checks

Contractors who have direct contact with students are required to submit certification. https://tea.texas.gov/Texas_Educators/Certification/Fingerprinting/Requirements_for_School_District_Contractors/ or [Contractor Background Checks](#) on our web [Risk Management FAQs](#).