



SCHOOL INSURANCE NEWSLETTER

September 2018

Market Conditions

Inland Texas September renewals typically saw a significant increase in both premiums and deductibles due to Wind and Hail losses over the past five years. Premiums have increased up to 25% with deductibles increasing from 25,000 to 50,000, 100,000 and even \$250,000. One of the largest pools is adding an additional \$50,000 deductible for each building in excess of 25,000 square feet. Most companies are now offering % deductibles. Be sure to do the calculations. Even for a district with only \$50,000,000 in property values, the smallest deductible of 1% becomes \$500,000.

Roofs

Roofs, because of Hail losses, are an important aspect of underwriting. Inspect for damage yearly and after a storm; TASB RMF has added this requirement to its coverage document. Also, there is no coverage if a loss is not reported within 365 days of the occurrence. Gone are the days when a claim can be brought four years after the event. Underwriters are asking these questions:

- What is the roof covering?
- What are the dates of roof replacements and repairs (usually within 15 years is required)?
- What is the roof replacement and inspection schedule?
- Does your coverage include clauses addressing functional replacement, cosmetic or aesthetic impairment? Understand what those clauses really mean.

How Does Your District Compare?

Insurance premiums and contributions are based on exposure factors (and losses): type and capacity of vehicles, replacement cost values, payrolls, etc. In managing bid processes through the years we noticed that some districts exposures appeared to be out of line. Here are averages that we see:

Replacement Cost/SF

Building	Building	Contents
High Schools	\$166	\$23
Intermediate Schools	\$160	\$20
Middle Schools	\$148	\$16
Elementary Schools	\$143	\$19
Portable Classrooms	\$90	\$14
Administration Buildings	\$158	\$18

Worker's Compensation Payroll Distribution

Code	Classification	Distribution
7380	Bus Drivers	2%
7720	Police	1%
8810	Clerical	7%
8868	Professional	80%
9101	All Other	10%

Bus-Pickup Trucks Distribution

Type	Distribution
Buses	67%
Pickups	33%