



## SCHOOL INSURANCE NEWSLETTER

June 2021

### Evaluating Premium Increases

Comparing premium increases is not an accurate way of evaluating cost increases, because of changes in exposures: 1) property replacement costs, 2) numbers of vehicles, 3) values of vehicles. The real increase is determined by analyzing **rate** increases (decreases). To determine rates for each line of insurance, divide the premium by the exposures. Contact us for an Excel spreadsheet.

### Consider Using a Consultant

Consultants do much more than just manage the bidding process. The following are examples of our own activities so far this year.

- ✓ Negotiated Property renewal for a Dallas area district with past hail losses and current freeze claims. By increasing one deductible and negotiating the premiums, we were successful in reducing the premium over \$312,000 from original price. Over 11 years the net deductible savings is approximately \$850,000.
- ✓ In a phone call with a district, who is not a client, we identified a hazardous uninsured exposure revealed on their website.
- ✓ A Houston area district saved more than \$670,000 on property insurance by going to bid and changing agents, plus the deductibles were improved significantly.
- ✓ Assisted district with insurance requirements and contract wording regarding the use of buses by another district.
- ✓ District changed companies as result of RFP and within two months had freeze and hail claims. The changes resulted in a savings in excess of \$1,000,000.
- ✓ Analyzed total cost of risk (premiums plus deductible costs) over five year period to determine best renewal deductible for a central Texas district.
- ✓ Issued RFP for Worker's Compensation. Changed administrator and saved the district in excess of \$1,100,000 in total costs.
- ✓ Updated district's insurance requirement language to include Cyber, Crime and Background Checks. Prepared sample insurance requirement language for another district.
- ✓ Managed several RFPs and negotiated renewals for other districts. Assisted districts in determining insurable values and optimum deductibles.

Insurance is unique and often difficult to understand. School business officials usually get involved with insurance just once a year. Rely on your consultant and save time...and money.