



## **SCHOOL INSURANCE NEWSLETTER**

*July 2022*

### **Market Conditions**

So far 2022 pricing is showing 15-20% minimum increases with higher Property deductibles. Carriers and risk pools using appraisal firms are expecting values alone to increase 12%. If your district has had losses, including last year's freeze, the increase may be even more.

The number of companies offering property insurance to schools keeps reducing and those that are still in the business are reducing the exposures (limits) that they will accept. Consider increasing deductibles or lowering limits to keep increases down.

All insurance companies and risk pools require reinsurance, and access to those markets is getting more difficult and brokers are slow to respond. Some companies still do not have their September reinsurance pricing yet.

### **Recent RFP Results**

Just opened some renewal proposals. The current carriers offered these renewal rate increases:

	<u>A</u>	<u>B</u>	<u>C</u>	<u>D</u>	
Property & Casualty	20%	15%	17%	27%	Property Deductibles changed in all cases.
Cyber included above		665%	85%	34%	

Property insurance is 75-85% of the total premium.

### **Auto Premium Increases**

Here is an example of why Auto premiums are increasing. My son purchased a used 2018 Suburban three years ago for \$38,000. He drove it 45,000 miles and just sold it for \$37,500. Repairs are experiencing similar increases.

### **Foundations**

We continue to see educational foundations that are unaware that they have no insurance. Foundations and Public Facilities Corporations are not school districts and do not have immunity. Some insurance companies are willing to include the foundation's coverages within the District's policies, but should they? The foundation must be a named insured. Directors and Officers Liability is not included in the District's coverage. Many insurers will not provide coverage for foundations within a District's policy and Districts don't realize it.

### **Safety Classroom Door Locks**

News sources indicate that 1/3 of all schools in Texas do not have locks on classroom doors. Has your district considered using the type of lock used in hotel rooms in the interim? They are simple and inexpensive. These locks sold by Amazon can be mounted by the district's maintenance department until the more advanced locked can be installed.



### **Review Our Newsletters**

The January and February Newsletters spotlighted methods of reducing the cost increases...  
<https://www.robertreim.com/schools-colleges/>.