

ROBERT V. REIM COMPANY

INSURANCE CONSULTING
BID MANAGEMENT



SCHOOL INSURANCE NEWSLETTER

May 2024

The Insurance Market

For schools in the first two counties from the Gulf, the Property insurance news has been good. We have seen mostly rate discounts up to 10% with improvements in coverage. And just this week we received a renewal for a Dallas area district with a 14% Property rate reduction and a 6% Casualty rate increase.

One of our central Texas client districts received these renewal rate estimates from their risk pool:

- Property: +10% to 25%, plus a % Weather deductible & restrictions for HVAC units
- Auto: +20%
- Liability: no increase
- Cyber: no increase, but check limits for changes

Replacement Values

These are the square foot replacement costs from a recent physical appraisal: High Schools \$325, Middle Schools \$300, Elementary Schools \$275.

Reducing the Impact of Property Rate Increases

Separate Coverage. Check to see if Property coverage can be removed from the package: then obtain separate proposals.

Loss Limit. Determine the District's maximum loss potential and only purchase that amount of coverage.

Deductibles. What is the largest deductible that your district can afford? Establish fund.

Co-insurer. Consider self-insuring weather coverage. What have the district's losses been, how much was the cost of insurance and how much was the district's deductible contribution? Obtain a Catastrophe Risk Assessment report.

Roof Maintenance. Roofs are important considerations to underwriters. Are hail resistant roofs worth the extra cost? Does the district have a roof inspection and maintenance program?

Values. Remove items that do not need to be insured, <https://www.robertreim.com/wp-content/uploads/Insurance-Building-RCV-Excluded-Items.pdf>

Uncertified Armed Employees

Some districts are unable to add police protection without state funding and are electing to use uncertified personnel for protection. Beware that some insurers will not provide liability coverage if armed employees, volunteers, contractors, parents or others are not certified.

Open Record Requests

Several districts have received Open Record requests for insurance information. We routinely suggest that the requested information should not be released to anyone other than a qualified agent. Also, such information should be released at the same time that it is made available to other proposing agents. We have seen an instance where an agent gathered information in one year that they used to block the markets for the next year. See AG Opinion OOR2009-06282: "... We, therefore, conclude that the district may withhold the submitted information under section 552.104 of the Government Code."