

# ROBERT V. REIM COMPANY

INSURANCE CONSULTING  
BID MANAGEMENT



## SCHOOL INSURANCE NEWSLETTER

February 2025

### The Insurance Market in 2025

These comments are based on personal observation of early 2025 renewals plus opinions from agents who specialize in Property insurance. Percentage **Property** Deductibles with high Minimums are now standard. **Liability** rates will not change much but expect some increase. **Auto** will increase, as claims have increased dramatically.

### **Districts with Layered Programs.**

A small increase if any. One district just received a decrease; you may want to budget a 10% increase.

### **Districts with over \$500,000,000 Values and One Company Providers.**

These districts received a large increase last year. If your rate is less than \$.20, expect an increase that could bring the rate to \$.25 or more.

### **Smaller Districts with One Company, Typically Risk Pools.**

These schools were hit with big increases in late 2024. If your District had a large increase in rates and deductibles in 2024, that trend should not continue into 2025, but you may want to budget a 10% increase.

School districts should contact their provider to obtain an estimate of the renewal increase for budgeting.

### Cost Increases Not Reimbursed by the State

Districts are experiencing dramatic cost increases in Property insurance while not receiving compensation from the State. If you would like a worksheet for calculating the increase, contact us

### Property Self Insurance

We are familiar with three districts located in counties either next to the Coast or just one county from the Coast. Considerations: Budget availability to fund a large loss, premium costs, deductible costs, past losses, ability to reduce the number of buildings, risk tolerance, FEMA coordination, TDI approval of a self-insurance plan. Useful tools include historical loss information for several years and loss modeling reports. One district found Artificial Intelligence via Google Chat GPT very helpful.

### Are You Ready for a Freeze?

What did you learn from last time?

- Turn off the water supply.
- Turn off automatic refill areas .
- What will happen when the water is turned on again?
- Address sprinkler systems; is anti-freeze necessary?
- Reduce building temperature settings but don't turn off heat.
- Place portable heaters in non-heated buildings.
- Develop written procedures. Your insurer can assist you.

The economic cost of the 2021 freeze totaled more than the cost of Hurricane Harvey in 2017, which was **\$158.8 billion**, almost four times more costly than Hurricane Ike in 2008. **New: The 2025 California wildfires damage is surpassing Harvey. From 1980-2019, insured US losses averaged \$7.9 billion.**