

ROBERT V. REIM COMPANY

INSURANCE CONSULTING
BID MANAGEMENT



SCHOOL INSURANCE NEWSLETTER

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Property Re-insurance

Banks typically assume the first dollars of a loan and “lay off” the rest to other financial institutions. Re-insurance is much the same. Each insurer or risk pool retains a level of risk and purchases “re-insurance” above that level. Much of U.S. re-insurance comes from Lloyds of Lloyd syndicates. Insurance companies have been hit hard by the California fires and hurricanes. While we have been told by brokers that they do not expect much increase in prices, I am not convinced. Insurance news sources are mixed.

Large Losses

United Educators has recently published a report describing losses in excess of \$2,500,000. Particularly disturbing is the number of sexual abuse claims and the costs of those claims. Does your district purchase sufficient Educators Legal Liability limits? [Large Loss Report 2025](#). In a recent Liberty Mutual report, auto claim severity has increased 6.2% per year from 2013, a total increase of 72%, attributed to more attorney involvement, increased repair costs and larger verdicts.

Analyzing Causes of Claims

We typically like to analyze both Auto and WC losses by 1) Employee, 2) Department, 3) Type of Loss. Obtain an Excel copy of the loss runs and then do three different sorts. Is there a problem employee or driver? Is there a problem department? Are there too many of one (or more) type of claim; could be Auto “backing” or WC “hit by student” We suggest adding a second tier of “total loss” in the sort for each.

Buy Down Insurance

Some districts are finding that the Property insurance deductibles are more than they can afford or otherwise unacceptable. Buy Down Insurance covers the difference between the preferred deductible and the policy deductible Example: Property insurance deductible 5% with a Buy Down deductible of 1%. Coverage may be with another insurer. There will be a premium charge.

Drone Liability

Most General Liability policies exclude liability resulting from aircraft. Drones are considered aircraft. Some exclusions have been amended to provide drone coverage, but coverage may be limited by size of the drone. Check with your District’s General Liability provider.

Texas School Law Bulletin

The year after each Legislative session TEA publishes a book of current statutes that apply to school districts. It is an excellent reference, especially relating to 44.031 Purchasing. <https://tea.texas.gov/about-tea/government-relations-and-legal/texas-school-law-bulletin>

Request Options

Ask your insurer for options: deductibles, coverages, limits. Are your limits sufficient? Crime, Data Breach, Single Ply roofs, Flood and Educators Liability coverages are some that you may want to investigate.