

SCHOOL INSURANCE NEWSLETTER

October 2026

Market Conditions – More Good News for Property Insurance

We just finished the bidding process for a large Dallas area school district with terrific results. The rate decrease was over 25% with a savings of almost $2,000,000. Negotiations each year achieved a 40% decrease for the past three years, for a premium reduction in excess of $3,500,000. Districts with risk pools should not expect the same magnitude of savings as their premiums have been steadier, but should experience reductions nonetheless.

Consider this… The insurance premium is already budgeted. Rather than taking the savings, some districts are using it as an opportunity to get improvements or get back some of what was lost during increased pricing conditions – limits, deductibles, and coverages. Use the negotiation period prior to policy inception to investigate options. The pricing is usually better than it is after coverage has been ordered.

Chapter 118 Waives Immunity Protection for Schools

Does your insurance provider include coverage for violations, including gross negligence in hiring, supervising, or employing a professional school employee? Including this coverage will probably increase the district's liability coverage cost, reducing the benefits of lower property insurance premiums.

El Niño is Coming. Do You Have Adequate Flood Insurance?

Property insurance policies sometimes include flood insurance. However, there may be exclusions for properties within the 100-year floodplain, plus restricted coverage within the 100-to-500-year floodplain. Full flood insurance limits usually apply only to property located outside of the 500-year floodplain. Understand the deductibles; they may be different for each zone. It is important to know how insurance applies to your buildings/contents as some risk pools do not reveal how the coverage applies to all zones in their coverage document.

Floodplain (Zone) mapping is continually changing, and you will want to be certain in which zone your properties are located. If a building is located outside of a flood zone, but sits on property inside a flood zone, the property's zone usually applies. Some companies will provide Flood Zone Determinations. If yours doesn't, go to https://msc.fema.gov/portal.

Floods often occur because of unnatural changes to the topography, often construction that affects natural water flow, even though the property is not within a flood zone.

Flood insurance for uncovered property is available from the National Flood Insurance Program (NFIP). Every insurance agent has access to NFIP. Coverage is limited to $500,000 for buildings and $500,000 for contents (business personal property).