



MEMORANDUM

To: Dr. Tim Harkrider, Superintendent

From: Heather Wilson, Chief Financial Officer

Date: August 16, 2023

Subject: Property and Casualty, General Liability, Auto, School Leaders, Underground Storage Tanks, and Crime/Fidelity insurance for the 2024-2025 school year

Agenda Item: J-4

BACKGROUND

College Station ISD utilizes ANCO Insurance to receive bids and solicit proposals on behalf of the district for property, casualty, general liability, and auto insurance. Once bids are received and tabulated, Anco makes a recommendation based on their opinion of the best package available on the open market. Through this process over 61 various carriers were contacted requesting to submit a proposal to bind coverage for our school district.

The insurance market remains hardened, however, due to the insurance carriers' comfort in the total insured value of \$626,648,741 and each individual carrier the ability to increase their capacity between the layers, the district received a reduction in property coverage premium for the renewal term. The District utilizes a "layered" program, due to the high value of insured property, meaning various companies cover certain amounts of our property.

The insurance market in the state of Texas and nationwide continues to see increases in premiums particularly in the commercial higher valued policies. In addition, the 2021 hail and winter storm claim by CSISD adds to our inflation factor. The rate increased from \$0.304 to \$0.411 or 35% for 2023-2024, and CSISD increased the total insured value from \$589,775,597 to \$626,648,741 or approximately 6.25%. The increase in total insured value was due an increase in the per square foot value of some building to better reflect the current higher construction costs.

Overall, the District will experience a reduction in property premium of \$336,673, annually. The property rate has decreased from \$0.411 per \$100 of value at expiring, to \$.357 per \$100 of value at renewal. The policy maintains a \$100,000 AOP (All Other Peril) deductible, while also retaining a 2% wind/hail deductible, subject to a \$100,000 minimum. The deductible for contractor's equipment, musical



instruments & uniforms, audio/video equipment, computer equipment, and scheduled fine arts will remain at \$10,000.

It is the recommendation of ANCO to renew coverage through AXIS/Lexington/Lloyd’s (layered property program) for property and casualty coverage, Travelers for General Liability and Commercial Auto, and AIG for School Leaders’ Errors and Omissions, and Mid-Continent Casualty for the Underground Storage Tank policy in the total amount of \$2,594,675 for a total decrease of \$302,877 or 10.5% compared to a 39.9% increase in the previous year. Summary of coverages are listed as follows:

Coverage	9/1/23-9/1/24	9/1/24-9/1/25	9/1/24-7/1/25
Property, including all TDI taxes and fees, excluding terrorism	\$ 2,576,243	\$ 2,239,570	\$ 1,887,431
General Liability including Employee Benefits Liability	35,227	39,469	32,891
Auto Liability and Physical Damage	237,398	261,329	217,987
Underground Storage Tank Pollution Liability	2,648	2,780	2,780
School Leaders E&O, including Cyber Liability	55,231	51,527	Pending
Total	<u>\$ 2,906,747</u>	<u>\$ 2,594,675</u>	<u>\$ 2,141,089</u>

RECOMMENDATION

It is recommended that the College Station ISD Board of Trustees authorize the Superintendent to renew the referenced policies for the 2024-202 school year as recommended.