



## Consent Item

**Date:** August 11, 2025

**Division:** Finance

**Subject:** Renewal of RFP #F1075-24 Property Insurance Services

### Background Information:

- The Board of Trustees awarded RFP #F1075-24 Property Insurance Services on August 12, 2024. If approved, this renewal would be the second year of a five-year term.
- Property insurance protects LISD's physical assets, such as buildings, building contents, information technology inventory, and infrastructure, from perils such as fire, burst pipes, and storm damage.
- The recommended vendor provides property insurance, which includes policy and claim advocacy, comprehensive risk assessment, risk marketing, and claims management.
- The District's approximate total property insurance value is \$3,018,432,963.
- Insurance carriers continue to make market rate adjustments, while numerous other carriers have decided to no longer write school district policies.
- The sharp increase in severe weather events over the past decade has led to a hardened property insurance market for Texas ISDs, resulting in higher rates, larger deductibles, and stricter underwriting by carriers.
- The Not-to-Exceed total cost for Property and Equipment Breakdown coverage, including taxes and fees for the \$500M loss limit, is \$5,788,504. This premium reflects a total rate of \$0.19 per \$100 and an 11.4% rate reduction from LISD's current/expiring policy—a cost savings of \$710,204 from the expiring bound total cost.
- The District's estimated property premium of approximately \$5.8 million (\$0.19) is significantly lower than that of surrounding districts. For comparison, a layered property insurance program priced at the average peer rate of \$0.32 would cost the District approximately \$9.7 million.
- With the scheduled property insurance premium decreases and the District's casualty policy premium increases, the District is still projecting an overall LISD Risk Insurance program estimated savings of \$305,185 for the 2025-2026 term.

### Administrative Consideration:

- If approved, the proposed terms of the 2025-2026 property insurance policy, when compared to LISD's current policy, will include the favorable wind/hail deductible of 2% of the Total Insured Value (TIV) and no material changes in coverage or deductibles, which is highly competitive compared to surrounding districts.
- Funds for this service come from the General Fund operating budget.

- Previous annual expenditures: \$6,408,490
- Estimated annual expenditures: \$5,788,504; expenditures will not exceed the approved budget.
  - The estimated annual expenditures are not to exceed the sum; efforts to decrease this premium expenditure are continuing before policy binding.
- This procurement complies with Section 44.031 of the Texas Education Code.

**Recommendations:**

- That the Lewisville ISD Board of Trustees approves the recommended vendor for RFP #F1075-24 Property Insurance Services and the estimated annual expenditures for one year.

**Timeline/Report:**

- Term: September 1, 2025 – August 31, 2026