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RFQ #19-001 – Property and Casualty Insurance 12-Month Premium Renewal

- **Purpose:** Renew premium for property and casualty insurance for ECISD.
- **Background Info:** ECISD was expected to realize a renewal for its property insurances around \$2.9M, or expected a 20% increase. We predicted this back in the summer (August), but following hurricane Ian, the industry, particularly the reinsurance marketplace, began to take a turn for the worst. The Arthur J. Gallagher team, realizing that this cost was getting excessively expensive, continued to look to other markets to deploy capacity for ECISD’s property insurance program. No other reasonable options were found in the open marketplace to help save the district’s costs, on a stand-alone basis. In fact, almost every property insurance company that could offer capacity for a large school district in West Texas, given the terms and conditions that make up the policy, is a part of the proposed property insurance program for 2022-2023. Arthur J. Gallagher, the nation’s leading broker for public entity pools and purchasing groups, continues to recommend the interlocal agreement with another client of Gallagher’s, Amarillo ISD, as the most cost-effective solution for ECISD’s needs. The reason Amarillo ISD remains a good fit is because of the size of their property portfolio relative to their loss history (2014 and 2017 hail losses), and the spread of risk from a geographical footprint. After continued conversations with both districts, Gallagher successfully marketed the district’s property insurance and ECISD remains part of Amarillo ISD policy/interlocal.
- **Premium Renewal Cost:** \$3,268,546.19
- **Funding Source:** Local Funds 199
- **Recommended Service Provider:** Arthur J. Gallagher

Board Approval

Date

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