

**BOARD OF EDUCATION  
BEEVILLE INDEPENDENT SCHOOL DISTRICT**

Agenda Item No. \_\_\_\_\_

Date: February 19, 2008

Subject: Property Insurance Renewal

Submitted by: Linda O'Connell

Related Pages: 4

Supt's Approval: \_\_\_\_\_

**CONSENT**

**BACKGROUND INFORMATION:**

The property insurance is currently with TCOR Insurance Management (previously known as Brooke Insurance Agency).

**ITEMS ADDRESSED:**

The STR2 Independent School District Pool is an Interlocal Shared Services Agreement handled through TCOR Insurance Management.

**RECOMMENDED ACTION:**

Based on the reputation and experience, approve the renewal of the property insurance with STR2 Independent School District Pool Interlocal Shared Services.

**BUDGETARY INFORMATION:**

\$167,759.00 for renewal.

# **STR2 INDEPENDENT SCHOOL DISTRICT POOL SHARED SERVICES AGREEMENT**

## **THE REGIONAL POOL ALLIANCE**

**The Regional Pool Alliance Service Center**

**P.O. Box 61893 San Angelo, Texas 76906**

**Phone: 800 956 4553 Fax: 325 942 0023**

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### **DISASTER RECOVERY PROGRAM Including COMPREHENSIVE PROPERTY COVERAGE Anniversary Offer**

**Member: BEEVILLE INDEPENDENT SCHOOL DISTRICT**

**Coverage Term: March 1, 2008 through March 1, 2009**

**A.M. Best Rating: All carriers are A rated or better.**

**WE RECOMMEND AT LEAST 100% OF THE APPRAISALS BY RCI DATED JANUARY 2007**

**Total Covered Values: \$77,572,200. Buildings as per schedule provided  
\$12,690,000. Contents as per schedule provided  
\$ 1,753,275. Catastrophic Auto Physical Damage (Parked)  
\$92,015,475. Total Buildings & Contents per schedule**

|                               |           |                                      |                        |
|-------------------------------|-----------|--------------------------------------|------------------------|
| <b>Contribution:</b>          | <b>\$</b> | <b>167,759.00 3-01-08 to 3-01-09</b> | <b>42% Increase in</b> |
| <b>Boiler &amp; Machinery</b> | <b>\$</b> | <b>Included</b>                      | <b>Value</b>           |

|  |
|--|
| <b>For the period March 1, 2007/2008 Beeville ISD has \$65,378,102. in Building, Contents &amp; Catastrophic Auto Physical Damage Coverage. You have paid \$160,000. for the cost of the program for 3-01-07/08.</b> |
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If Beeville ISD continued coverage in the amount of \$65,378,102. WHICH WE DO NOT RECOMMEND, the annual contribution (cost) is \$117,681.

STR2 Pool By-Laws do state that the members will cover the properties at 100% of replacement cost, which has been difficult the past several years due to the spiraling cost to purchase insurance. We are now at prior Katrina, prior Rita insurance cost and it is the perfect time to bring coverage values to 100%, if the budget allows. If not, a minimum of 90% is recommended which would be \$82,813,928. @ an annual cost of \$156,301.

STR2 Independent School District Pool/The Regional Pool Alliance  
Anniversary Offer 3-01-08/09  
BEEVILLE ISD

1. Coverage enhancements:
  - Increased Unscheduled Mobile Equipment from \$100K to \$500K
  - Added Unscheduled Athletic Equipment & Uniforms for \$500K
  - Added Unscheduled Specialized Teaching Equipment for \$1million
  - Added Unscheduled Voting Machines & Similar Technology for \$1million
  - Added Unscheduled Portable shop equipment, kitchen equipment or emergency equipment for \$1million
  - Added Unscheduled Auxiliary Structures such as grandstands, scoreboards, signs, and fences for \$1million
  - Increased Unscheduled Musical Equipment from \$100K to \$500K
  - Increased Fine Arts from \$100K to \$500K
  - Increased Personal Property of Employees from \$100K to \$500K
  - 120% Margin for Catastrophic Losses
  - Flood included for Tier II & Named Storm Deductible \$25,000. per occurrence for Tier II**
  - Tier I Named Storm Deductible will be negotiated down as market conditions continue to soften**
  - Rates and improved terms will continue to be negotiated as market conditions continue to soften**
2. Service Providers:
  - Pool Administration: Kathleen Hicks, HR&R, LLC, Cory Brooke, TCOR Management & Gail Johnson, TCOR Management
  - Disaster Clean Up and Restoration: Cotton, USA
  - Finance: Prime Rate
  - Broker: A.J. Gallagher & Apex Insurance Services

**Perils Covered:** All Risks of direct physical loss or damage including flood, earthquake subject to the policy exclusions and limits. Terrorism is excluded but can be added if requested at an additional cost of approximately 5% of contribution.

**Valuation:** Replacement Cost with 120% Margin Clause for Real and Personal Property (Contents) (Covers reconstruction cost increases after disaster)

| Sublimits do not increase the policy limit |   |
|--|---|
| \$ 5,000,000                               | Per Occurrence and Annual Aggregate as respects Flood   |
| \$ 2,500,000                               | Per Occurrence for locations partially or wholly exposed to areas of frequent flooding (less than 100-year frequency) within Special Flood Hazard Areas (SFHA), as defined by the Federal Emergency Management Agency |
| \$ 5,000,000                               | Per Occurrence and Annual Aggregate as respects Earthquake  |
| \$ 1,000,000.                              | Voting Machines & Similar Type Technology (Non-scheduled)   |
| \$ 1,000,000.                              | Portable shop, emergency services, fire fighting equipment (also while in transit)  |
| \$ 1,000,000.                              | Auxiliary Structures (e.g. Athletic facilities, scoreboards, signs, fences, playground equipment)   |
| \$ 1,000,000                               | Newly Acquired Property (45 Days Reporting)   |
| \$ 2,500,000                               | EDP (including media) (Automatic-Nonscheduled)  |

|                |   |
|----------------|---|
| \$ 250,000     | Accounts Receivable   |
| \$ 2,500,000   | Demolition and Increased Cost of Construction (Law and Ordinance)                               |
| \$ 1,000,000   | Expediting Expense  |
| \$ 1,000,000   | Extra Expense   |
| \$ 500,000     | Fine Arts   |
| \$ 25,000      | Fire Department Service Charges   |
| \$ 100,000     | Offsite Storage Locations   |
| \$ 500,000     | Debris Removal  |
| \$ 50,000      | Outdoor Trees and Shrubs limited to \$2,500 each  |
| \$ 1,000,000   | Automatic Builders Risk for Owned Property in the Course of Construction (Excluding Soft Costs) |
| \$ 500,000     | Personal Property of Employees while on the premises of the Insured                             |
| \$ 50,000      | Pollution/Contamination Clean Up Per Occurrence and Annual Aggregate                            |
| \$ 500,000     | Unnamed Locations   |
| \$ 500,000     | Property in Transit, Maximum \$100,000 per vehicle  |
| \$ 1,000,000   | Valuable Papers and Records   |
| \$ 500,000     | Mobile Equipment Unscheduled (CAN BE INCREASED)   |
| \$ 1,000,000.  | Unintentional Errors and Omissions  |
| \$100,000,000. | Wind & Hail Per Occurrence  |
| 30 Days        | Ingress/Egress (24 Hour Waiting Period)   |
| 30 Days        | Civil Authority (24 Hour Waiting Period)  |

**Cancellation:** 90 Days notice of cancellation except for nonpayment of premium, which is 10 Days.

**Deductible:** **\$25,000 per occurrence AOP including Wind and Hail**  
With respect to Flood:  
Excess of Maximum NFIP whether purchased or not for items located in A 100-year Flood Plain (\$500,000. per building, \$500,000. per building Contents. (We do not find any Beeville ISD properties that are in this Zone)

**Exclusions:** Include but are not limited to:  
Pollution/Contamination except as shown in sub limits  
Asbestos  
Terrorism  
Mold  
Earthquake Sprinkler Leakage  
War, Nuclear, Chemical and Biological Materials  
Foreign exposures and locations  
Cyber Risk Losses

**POOL SERVICES INCLUDE:**  
LOCAL SERVICE  
BUILDING APPRAISALS BY RCI APPRAISAL SERVICE  
*Updated annually*  
COTTON RESTORATION DISASTER RESPONSE & RECOVERY FOR ALL CLAIMS INCLUDING BUT NOT LIMITED TO WIND, FLOOD, FIRE, OR VANDALISM  
*Carrier approved with Standard Operating Procedures and GSA Federal Contractor with FEMA rate schedule*  
*Predisaster preparedness and post disaster response*  
FEMA CONSULTING (*Fee is 5% of Grants when Approved by FEMA*)



## STR2 INDEPENDENT SCHOOL DISTRICT POOL

To: Ms. Linda O'Connell  
Beeville Independent School District  
2400 St. Mary's St.  
Beeville, Texas 78102

### PROPERTY DISASTER RECOVERY PACKAGE INVOICE SHARED SERVICES AGREEMENT

COST OF COVERAGE: SELECT ONE OPTION:

DATE DUE: NO LATER THAN 3-1-08

OPTION 1 @ 100% RC Values \$167,759.  
RECOMMENDED \$92,015,475.

OR

OPTION 2 @ 90% RC Values \$156,301.  
\$82,813,928.

OR

OPTION 3 @ CURRENT VALUES \$117,681.  
\$65,378,102.

AMOUNT REMITTED: OPTION 1 2 3 \$

Check should be made payable to: STR2 SERVICE CENTER  
P.O. Box 61893  
San Angelo, Texas 76906