



## LAKE BLUFF SCHOOL DISTRICT 65

**TO:** Board of Education  
Dr. Lisa Leali, Superintendent

**FROM:** Jay Kahn, Chief School Business Official

**DATE:** May 19, 2026

**RE:** Property Casualty Renewal 2026-27

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### **Recommendation**

Administration recommends that the Board approve the property/casualty insurance renewal with the Collective Liability Insurance Cooperative (CLIC) extension for the premium amount of **\$83,000** plus an additional **\$2,150** in premium for fiduciary liability coverage. This represents approximately a 0.3% cost *decrease* vs the prior year.

### **Background**

The District is a member of the Collective Liability Insurance Cooperative (CIC), a joint risk management pool of 195 school districts through which property, general liability, automobile liability, crime, boiler and machinery and other coverage is provided in excess of specified limits for the members, acting as a single insurable unit with over \$39 billion in assets. By self-insuring a portion of the coverage and cooperatively purchasing excess insurance coverages, the member districts benefit when claim experience is good, and gain tremendous buying and negotiating power as opposed to being a single entity. It also makes coverage and limits accessible that could otherwise not be purchase at a reasonable price as a single entity in the marketplace.

The relationship between the District and CLIC is governed by a contract and by-laws that have been adopted by resolution of each unit's governing body. The District is contractually obligated to make all annual and supplementary contributions for CLIC, to report claims on a timely basis, cooperate with CLIC, its claims administrator and attorneys in claims investigation and settlement, and to follow risk management procedures as outlined by CLIC. Members have a contractual obligation to fund any deficit of CLIC attributable to a membership year during which they were a member.

CLIC is responsible for administering the self-insurance program and purchasing excess insurance according to the direction of the Board of Directors. CLIC also provides its members with risk management services, including the defense of and settlement of claims, and establishes reasonable and necessary loss of reduction and prevention procedures to be followed by the members.

CLIC is continually enhancing its lines of coverage to reflect the relevant and emerging threats faced by school districts. They have introduced "Crisis Protect" coverage to addresses the wide ranging security crises that school districts face such as Active-Assailant, Workplace Violence/Assaults large scale Emergency evacuations such as Bomb Threats. They have also been on the forefront of cyber liability coverage and are providing Cyber Loss Control services focusing on Ransomware and Phishing training. CLIC also provides coverage and services, at no cost to districts, to protect against office of Civil Rights fines for websites that are not compliant with accessibility requirements.

## Current Situation

Overall program costs came in at an increase of just under 8% over the expiring policy term, but due to the District's good experience, we received a flat renewal.

The most significant change continues to be liability loss severity and volatility. Over the past year, the average severity of large liability claims increased approximately 35%, with a meaningful rise in claims exceeding \$400,000. Nearly \$27.5 million of adverse development over the last three years has impacted more excess layers, resulting in a 23% increase in excess liability costs.

Despite increased Cyber liability claims activity in recent years (~\$875k in 24/25) premiums have decreased 19%, supported by competitive market pressure and improved terms, including higher cyber-crime sub-limits. Optional excess limits remain available. In order to avoid a 25% surcharge, the District is required to have engaged in pertinent mitigation measures like Multi-Factor Authentication (MFA). The District has fully implemented cyber preventative mitigation measures in partnership with Sentinel, our third party tech and cybersecurity firm.

The District has the following coverages limits and deductibles:

- Property - \$500 million limit, \$2,500 deductible
- Excess Liability (includes sexual misconduct, concussion, & school board legal liability)- \$33 million limit
- School Board Legal - \$20,000 deductible
- Cyber Liability - \$2 million limit, \$25,000 deductible
- Mandatory & Catastrophic Student Accident Coverage - \$7 million limit

# Benefits of Self-Insurance Cooperative Purchasing

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The Secured Self-Insurance Package developed by the Gallagher Public Entity Team allows CLIC to address the true cost of risk, rather than just the cost of the insurance premium.

The Secured Self-Insurance program allows the Collective Liability Insurance Cooperative to:

Retain a portion of the predictable losses.

Transfer a portion of the catastrophic risk.

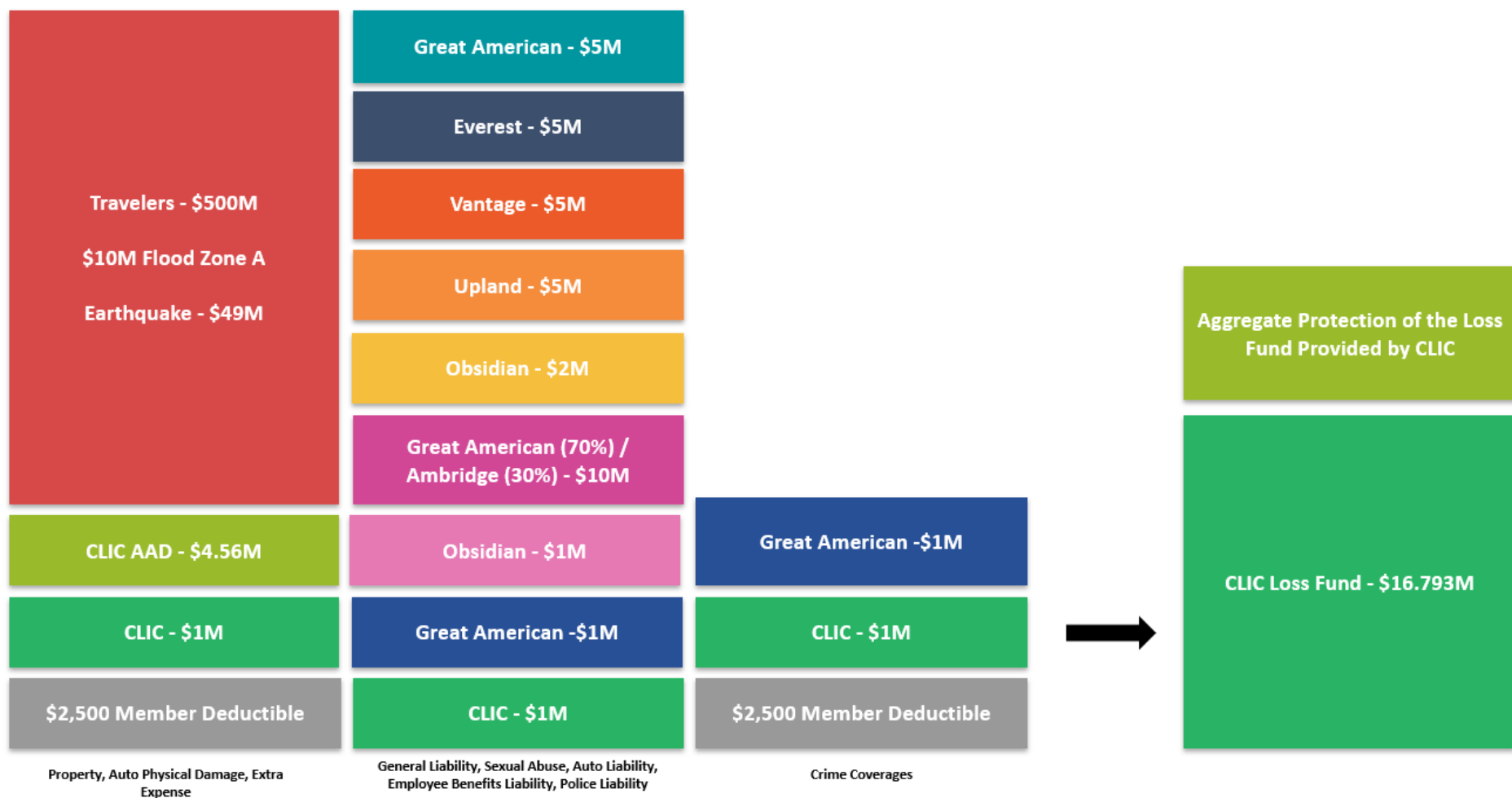
Broaden your insurance program coverages;

Control your costs in the hard market;

Budget a known maximum cost; and

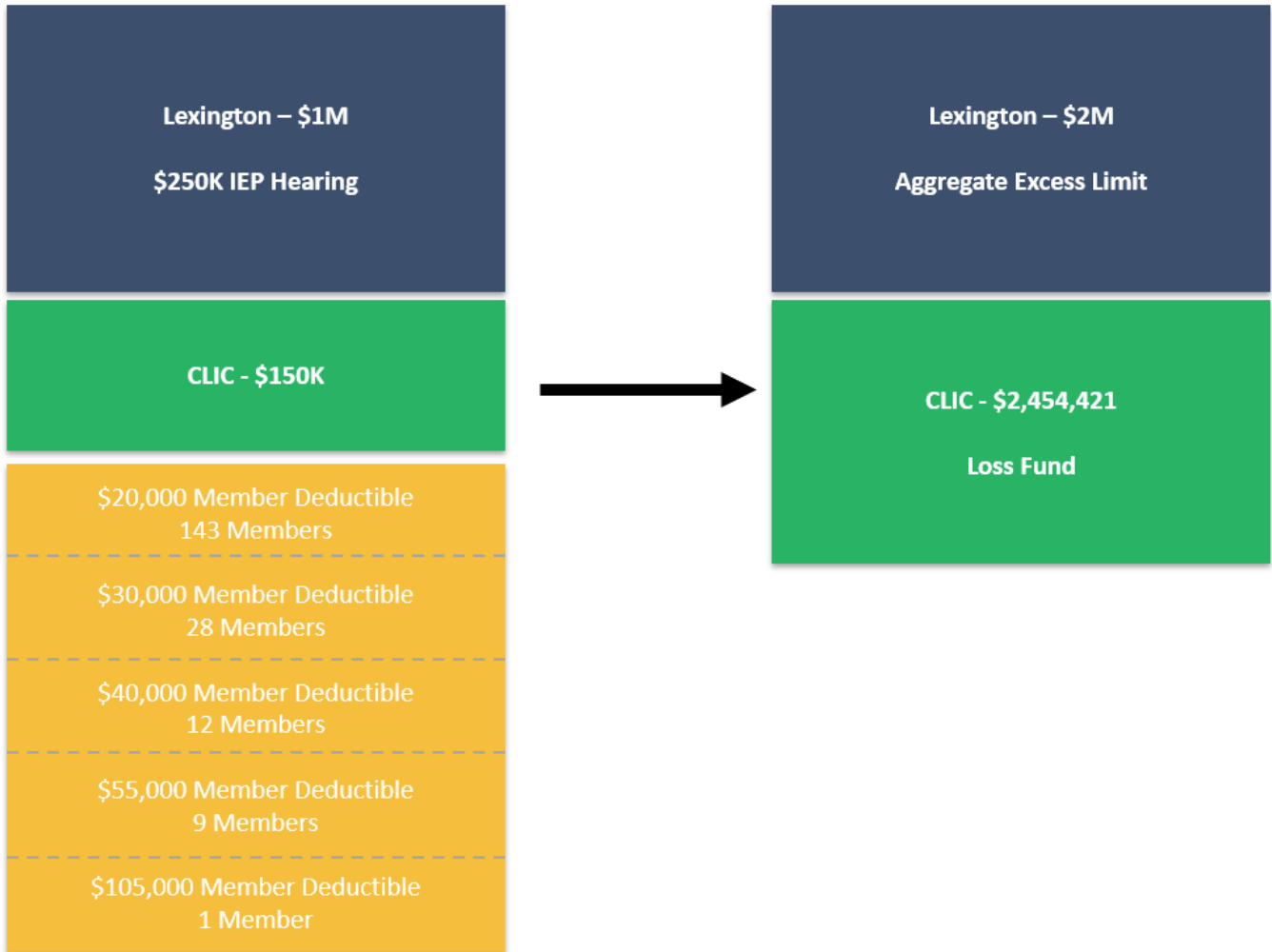
Input in the claims process.

# 2026-2027 Collective Liability Insurance Cooperative – MOC Program Structure – 195 Members



# Primary School Board Legal Liability

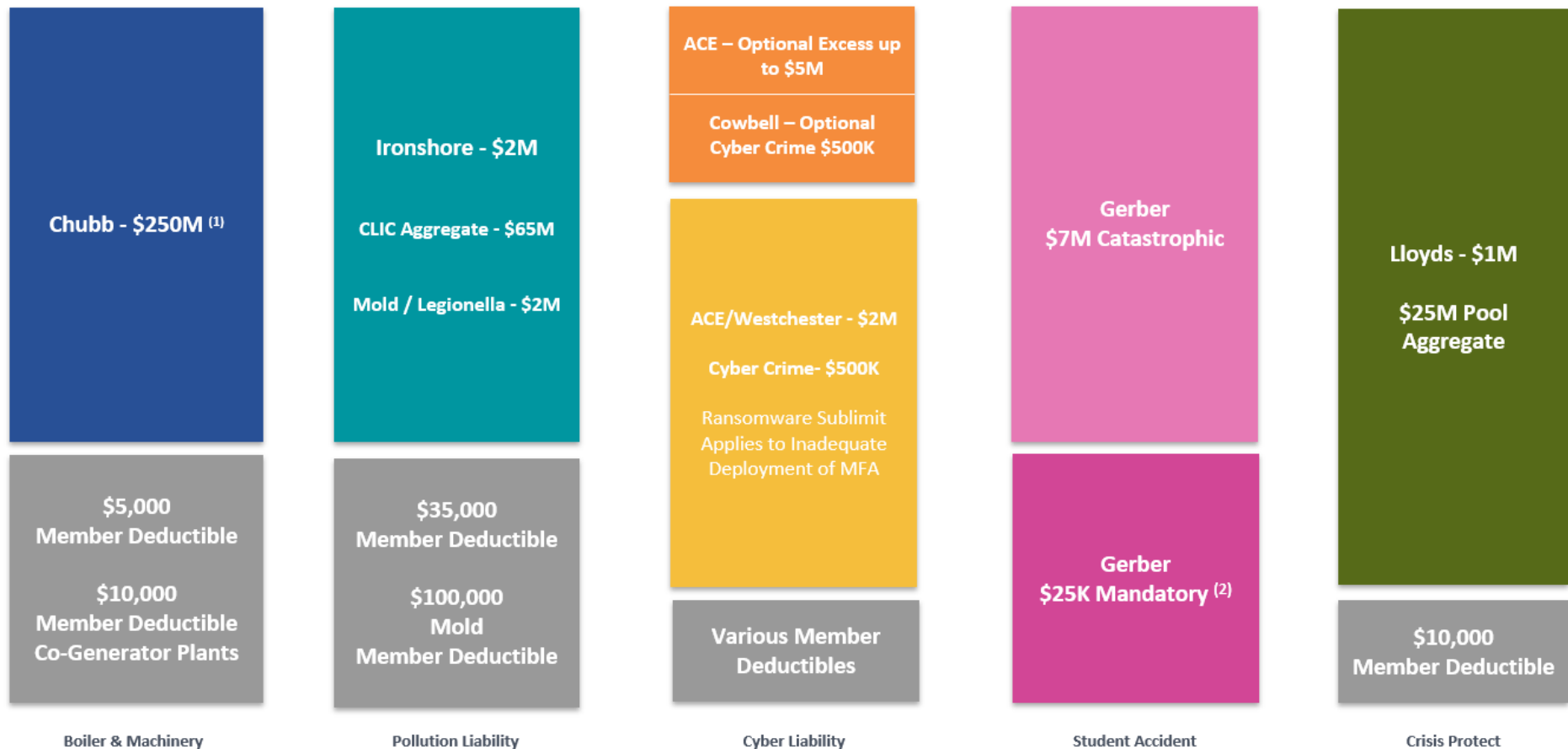
Collective Liability Insurance Cooperative  
 2026-2027  
 195 Members



(1) Excess School Board Legal Liability – Follow Form is provided under the excess liability policies for a total of \$34,150,000 of Excess Liability

# CLIC First Dollar Policies

## Recommended Program Structure 2026-2027



(1) Various Sub limits Apply

(2) Coverage is excess of parent's primary health insurance if applicable.

# Recommended Property/Casualty Program – MOC Reinsurance – Recommended Program

7/1/2026-2027

