



REQUEST FOR APPROVAL OF INTERLOCAL AGREEMENT WITH AMARILLO ISD FOR CASUALTY AND PROPERTY INSURANCE AND SIX-MONTH PREMIUM PROPOSAL - ARTHUR J. GALLAGHER

Attached is the Interlocal Agreement between Amarillo ISD and Ector County ISD for Casualty and Property Insurance and Six-Month Premium Proposal through Arthur J. Gallagher.

As a result of the marketplace, ECISD was expected to realize a renewal for its property insurances around \$2.52M. We predicted this back in December of last year and confirmed that in March of this year. The Gallagher team, realizing that this cost was getting way too expensive, looked into other options for ECISD. No other reasonable options were found in the open marketplace to help save the district's costs, on a stand-alone basis. That said, as the nation's leading broker for pools and purchasing groups, we had the idea of putting together an interlocal/purchasing group with another client of Gallagher's, Amarillo ISD. The reason that we saw Amarillo ISD as a good fit was because of the size of their property portfolio relative to their loss history (2014 and 2017 hail losses). After conversations with both districts, Gallagher successfully marketed the districts property insurance to add them to the Amarillo ISD policy. The AISD policy runs 1/1-12/31. As a result, the premium will be pro-rated accordingly to reflect six months' worth coverage/premium, which will be renewed, again, on December 31st, this time for a period of 12 months. By adding ECISD to the AISD policy, the district will realize a savings (annualized) of just under \$400,000.

Estimated Program Cost (pro-rated for 6-months) \$1,128,012.38.

Administrative Recommendation:

Approval of Interlocal Agreement between Amarillo ISD and Ector County ISD for Casualty and Property and Six-Month Premium Proposal through Arthur J. Gallagher as presented.