River Trails School District 26

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TO: **Board of Education**

FROM: **Ryan Berry**

DATE: **June 10, 2025**

SUBJECT: **Property and Liability Insurance Recommendation**

As you are aware, Board Policy requires River Trails School District 26 to carry Property and Liability Insurance.

River Trails School District 26 has had property and liability insurance through the Collective Liability Insurance Cooperative (CLIC) administered by Arthur J. Gallagher Risk Management Services, Inc. since FY09. In addition to property and general liability this insurance covers School Board legal liability, cyber liability/identity theft, crisis protect, pollution liability, and student accidents. Insurance costs for FY26 will be $120,409, which is $4,045 (4.0%) more than FY25.

CLIC basic cybersecurity insurance is for $2 million. Our cybersecurity consultant recommended another $1 million coverage.

The Property Market is challenging for insurers. Cost of building materials, labor and fuel are all increasing significantly. Insurers are continuing to payout on catastrophic claims such as hurricanes, wildfires, freezes, snowstorms and tornadoes. What this means to us is that the insurer's reinsurance costs continue to increase which is in turn passed on to insureds in the form of rate increases and limit reductions. Insurers are also seeing more lawsuits involving Sexual Misconduct, Catastrophic Auto Accidents, Disgruntled Employees, Individual Education Plans and Concussions.

The cybersecurity market has stabilized but could change quickly. Ransomware is catastrophic when it occurs, average expense at $4.35 million. Schools are improving :

- Phishing Training
- MFA Requirements
- Endpoint Detection & Response

Attached is a Program Cost Comparison of FY26 to FY25 and the Summary from Arthur J. Gallagher which highlights the insurance market (note that we do not have Workers Compensation through Gallagher).

Please contact me if you have any questions.