



memo

To: The Board of Education and Dr. Patrick Broncato, Superintendent
From: Curt Saindon, Assistant Superintendent for Business Services/CSBO
Date: December 13, 2024
Subject: Recommendation to Renew Comprehensive Insurance Program through SSCIP

Our Comprehensive Property, Casualty and Liability Insurance Program, currently provided through the Suburban Schools Cooperative Insurance Pool (SSCIP), expires on December 31, 2024. This includes insurance coverage for property, casualty, general liability, auto liability, auto property damage, boiler, machinery, cyber liability, excess property, excess liability, employment practices coverage, special education liability and school board legal liability, as well as a few other areas of coverage. Through a combination of increased property values, exposures in several areas (sexual abuse, school board liability, employment practice risk, concussions, cyber risk and property damage due to changing weather patterns, to name a few), a tightening market (insurers are increasingly more sophisticated at predicting and estimating future losses), the loss of a few carriers in the market that previously offered coverage and a continued correction for our pool, we were expecting double digit increases this year. The most recent increase estimates, based on similar Gallagher pools that renewed on 7/1/24, were in the 15% to 25% range, with our expected increase being slightly lower in the 10% to 20% range due to our pool's stability, positive claims history and overall attractiveness.

Overall, our property values increased by just over 6% this year, accounting for part of the overall premium increase. We actually realized a 14% Comprehensive Insurance premium increase when matching last year's coverage, and that included a 4% decrease in Cyber Insurance premiums and a 57% decrease in Crisis Protect Insurance premiums. However, when factoring in premium reduction actions (ie, the use of reserves to reduce premiums), our total SSCIP premiums for 2025 would be \$196,739, as compared to \$179,590 last year (a 9.5% increase over last year). This is a very good result, considering the existing coverage maintained and the new coverage and expanded limits being added. As always, please don't hesitate to let me know if you have any questions. Thank you.

RECOMMENDATION

It is the recommendation of the Administration that the Board approve the SSCIP Renewal for 2025, as presented. This would result in annual premiums of \$196,739, and reflects a 9.5% increase over last year's premiums. With Board approval we would pay the premium invoice in December and bind coverage for 2025 accordingly. All premiums are budgeted for, and paid for, out of the Tort Fund.