



Executive Summary Finance Committee Meeting

DATE: January 21, 2021

TOPIC: Property/Casualty Insurance Alternatives to Collective Liability Insurance Cooperative (CLIC)

PREPARED BY: Courtney Whited

Recommended for:

- ☐ Action
- ☒ Discussion
- ☒ Information

Purpose/Background:

As requested by the Finance Committee in FY20, Administration explored property/casualty insurance alternatives to its current provider, CLIC. The District's Legal Counsel has not reviewed either insurance company's quote. These findings are presented in time to draft a reservation of rights letter to CLIC, if the Committee deems it necessary.

Historical Fiscal Impact:

CLIC	Annual Cost for Property/Casualty	Cost Change Over Prior Year	Percentage Change Over Prior Year
2020-21	\$75,171	+ \$10,637	+ 16.5 %
2019-20	\$64,534	+ \$4,443	+ 7.4 %
2018-19	\$60,091		

The 16.5% increase that took place in 2020-21 was attributed to market conditions. An exploration of alternative insurance plans indicates the market is currently offering coverage in a higher price range (~\$15,000 - \$19,000) than what SD74 currently pays.

Liberty Mutual quoted an annual coverage plan with an estimated cost of \$90,652.

Selective quoted an annual coverage plan with an estimated cost of \$94,059.

Recommendation:

This summary and the attachments are for informational purposes. The Administration requests direction from the Finance Committee on any next steps.