

Insurance 2021.2022

TASB Renewal

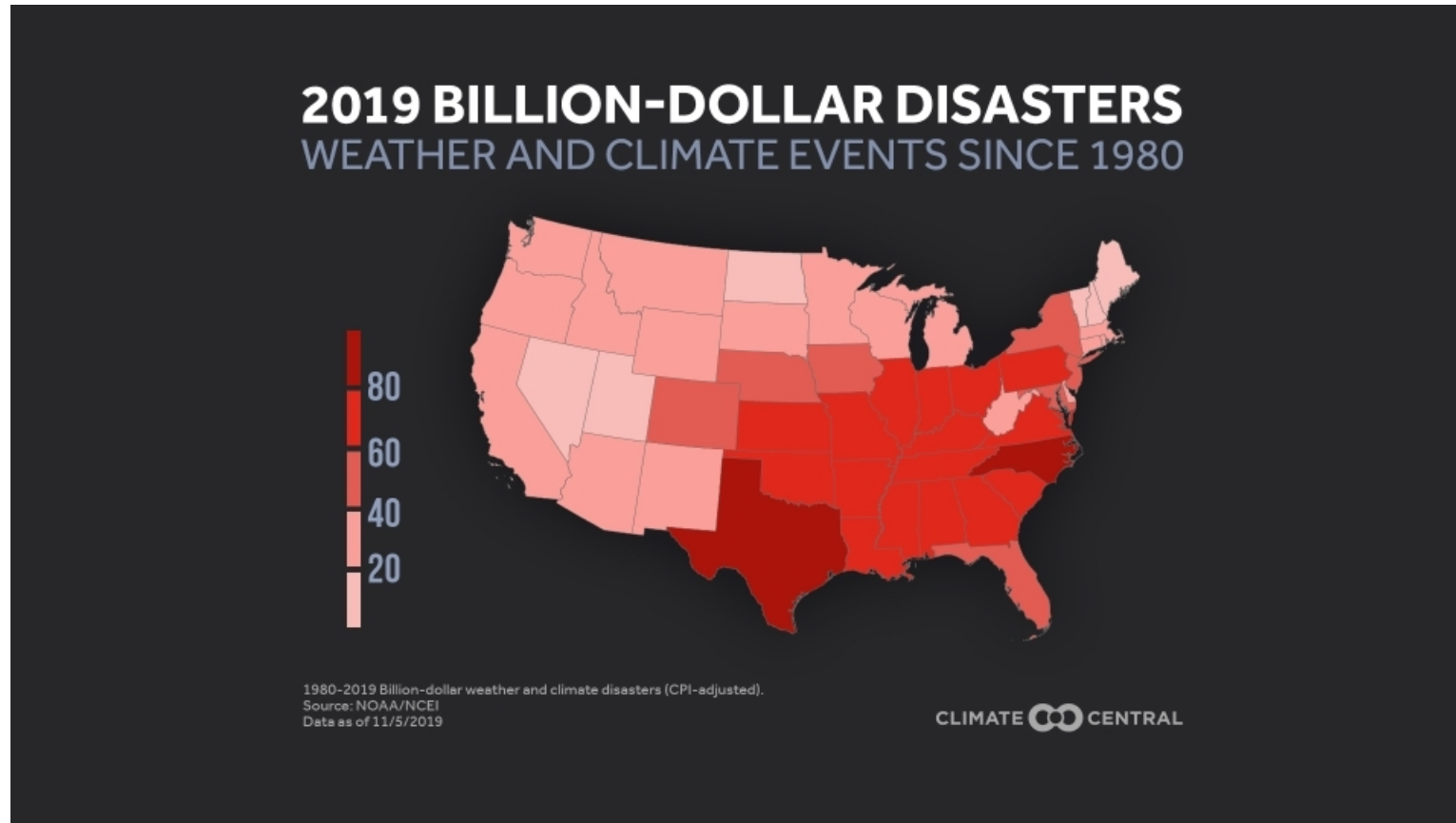
RFQ-RFP

- Commitment to Board to research insurance market
- Consultant Hired – Russ Edwards
- Initial RFQ
- RFP for \$5,000,000 initial layer
 - USI
 - RHSB
 - TASB
- Conclusion on RFP
 - No Vendor selected from RFP

Reference

- The property market for Texas school districts has increasingly hardened over the past couple of years due to the severity and frequency of weather events in North Texas and across the United States.
- Multiple hailstorms have occurred in the past few years in Texas with single occurrence losses exceeding \$50 million for multiple nearby districts.
- Additionally, heightening the impact on property rates in North Texas for the upcoming year is the severity of damage resulting from wind events in 2019 and 2020.

Why



The map depicts the number of times each state was part of a billion-dollar weather or climate disaster since 1980, regardless of the hazard type.

Impact

This reduction in property insurance carriers willing to write North Texas school districts, along with major adjustments to their catastrophic models for the remaining carriers, has significantly increased the financial burden to districts with the combination of both higher rates and higher deductibles.

DISD suffered significant damage during the recent winter storm. While it may take months to determine the complete financial scope, we anticipate the claim may exceed \$15 million.

Renewal Comparison

Property Coverage	2021-2022 Limit Per Occurrence	2021-2022 Deductible	2020-2021 Limit Per Occurrence	2020-2021 Deductible
All Perils except Wind, Hurricane, and Hail	\$500,000,000	\$500,000	\$1,331,891,194	\$500,000
Wind, Hurricane, and Hail	\$500,000,000	\$1,000,000	\$1,331,891,194	\$500,000
*Sublimit on Single Ply Roofs	\$5,000,000		\$5,000,000	
Flood	\$2,000,000	\$500,000	\$2,000,000	\$100,000
Earthquake	\$2,000,000	\$500,000	\$2,000,000	\$100,000
Crime	\$100,000	\$50,000	\$100,000	\$50,000
Equipment Breakdown	\$100,000,000	\$500,000	\$100,000,000	\$100,000
Wind and Hail Deductible Buydown Optional for additional premium		\$500,000		

Fiscal Implication

Category	2021-2022	2020-2021
Property including Equipment Breakdown	\$1,785,433	\$1,531,675
School Liability	\$225,224	\$192,388
Auto Liability	\$141,727	\$128,304
Auto Physical Damage	\$57,789	\$48,149
Privacy & Information Security	\$2,500	\$0
Total: Contribution and Property & Casualty	\$2,212,673	\$1,900,516
Wind and Hail Deductible buydown option	\$179,000	
Total	\$2,391,673	