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MEMORANDUM

Date: June 17, 2024

To: Finance Committee
Jamie Bente, Superintendent of Schools

From: Scott Gerdes, Director of Finance & Operations

RE: P & C Insurance Renewal FY 2024-2025

Over the last couple of years, the cost of the property insurance industry has been strained by the increased number of damaging storms, increase in inflation rates, and the sheer cost of building inputs to rebuild. Many carriers across the State of Minnesota are renewing with large increases 30 to 40 percent, as well as 2% wind hail deductibles. In FY24, we were fortunate to only receive inflationary increases to our policy. FY25 renewal started with over 70,000 dollar rate increase, inflationary increases, and very large wind hail deductibles to all the roofs in the policy. These deductibles started at one million per building and went down from there. With a lot of work in conjunction with our broker, Heartman Insurance, we were able to drop the increase by about 8,000 and reduce those large deductibles to 250,000 and down. The only other change that was made was an increase to the all other peril deductible from 10K to 25K. This increase can be self insured with our LTFM categorical aid. The total Increase for the new policy is \$63,825 to \$276,977 dollars. Please consider approval of the FY 2024-2025 insurance policy with Selective Insurance.