

No. \_\_\_\_\_



## UNITED INDEPENDENT SCHOOL DISTRICT AGENDA ACTION ITEM

**TOPIC** Approval for Award of Property & Casualty Insurance Renewal

**SUBMITTED BY:** Ofelia Dominguez Director **OF:** Risk Management

**APPROVED FOR TRANSMITTAL TO SCHOOL BOARD:** \_\_\_\_\_

**DATE ASSIGNED FOR BOARD CONSIDERATION:** July 17, 2019

Staff has completed review of the district Property & Casualty insurance and recommends acceptance of the renewal proposal submitted by the carrier, Property Casualty Alliance of Texas (PCAT).

**RATIONALE:**

PCAT is an organization created pursuant to the Interlocal Cooperation Act, Chapter 791, Title 7, of the Texas Government Code. Membership is made up totally of Texas school districts and participation is by interlocal agreement.

**BUDGETARY INFORMATION:**

Total annual premium of \$2,310,157.00.

Package Policy to include Property & Casualty, Automobile Liability, Automobile Physical Damage, Educator's Legal Liability, Flood in Non-flood Zone areas, Equipment Breakdown, Cyber Suite, General Liability, Law Enforcement Liability.

**BOARD POLICY REFERENCE AND COMPLIANCE:**

June 25 2019

**PROPERTY AND CASUALTY RENEWAL**

Renewal Date: 09/01/2019

Recommendation of Option #2 Offered by Current Provider PCAT.  
 Deductible amounts comparable to current policy coverage.

Broker Carlisle Insurance - Obtaining quotes through the Open Market

- \*Industry trend: Deductibles offered at 1%-5% for Wind & Hail
- \*Various Carriers offering Deductibles on a per Building vs. on per Occurrence Basis
- \*Re-insurance Companies increased premiums by approximately 25%-29%
- \*Past Catastrophic Storms (Such as Harvey) Causing increase in premiums across the Industry

	2018-2019	2019-2020 Option 2	Difference
<b>Annual Premium:</b>	\$2,044,938.00	\$ 2,310,157.00	\$265,219.00 Additional Premium
<b>Deductibles:</b>	\$100,000 Wind & Hail Per Occurrence \$25,000 All Other Perils Per Occurrence	\$100,000 Wind & Hail / \$300,000 Named Storm Per Occurrence \$50,000 all Other Perils Per Occurrence	
<b>Coverage:</b>	Property \$1,124,845,441.00 Building & Contents/Replacement Cost	\$1,187,219,253.00	\$62,373,812.00 Additional *Salinas Elem @ 3611 Alfredo Cantu Dr * AHS Additions
<b>Auto Fleet</b>			
<b>Units</b>	692	733	41 Additional
<b>Physical Damage Cost:</b>	\$33,967,538.00	\$38,453,155.00	\$4,485,617.00 Additional *Units latest review on 04/08/2019

**PROPERTY CASUALTY ALLIANCE OF TEXAS (PCAT)  
PREMIUM AND LOSS SUMMARY**

MEMBER:  
EXPERIENCE as of:  
CARRIER:

	United ISD 4/30/2019						
	PCAT	PCAT	PCAT	PCAT	PCAT	PCAT	
	2018-2019	2017-2018	2016-2017	2015-2016	2014-2015	2013-2014	TOTAL
	Current Year	Current Year	Current Year	1st Prior	2nd Prior	3rd Prior	
<b>AUTO LIAB</b>							
WRITTEN PREMIUM	\$392,581	\$256,716	\$233,249	\$133,963	\$143,367	\$133,754	\$1,293,630
LOSS INCURRED	\$105,467	\$249,063	\$290,947	\$270,314	\$80,343	\$124,565	\$1,120,699
# OF LOSSES	22	29	41	38	30	42	202
LOSS RATIO	26.9%	97.0%	124.7%	201.8%	56.0%	93.1%	86.6%
<b>AUTO PHYS DAM</b>							
WRITTEN PREMIUM	\$77,989	\$80,049	\$53,881	\$51,404	\$53,690	\$48,544	\$345,557
LOSS INCURRED	\$5,639	\$91,751	\$15,708	\$38,493	\$22,661	\$20,129	\$194,381
# OF LOSSES	3	11	14	22	13	6	69
LOSS RATIO	7.2%	152.8%	29.2%	74.9%	42.2%	41.5%	56.3%
<b>TOTAL AUTO</b>							
WRITTEN PREMIUM	\$470,570	\$316,765	\$287,130	\$185,367	\$197,057	\$182,298	\$1,639,187
LOSS INCURRED	\$111,106	\$340,814	\$306,655	\$308,807	\$103,004	\$144,694	\$1,315,079
# OF LOSSES	25	40	55	60	43	48	271
LOSS RATIO	23.6%	107.6%	106.8%	166.6%	52.3%	79.4%	80.2%
<b>GL PREMISES</b>							
WRITTEN PREMIUM	\$39,187	\$38,366	\$36,874	\$13,870	\$13,220	\$11,263	\$152,780
LOSS INCURRED	\$0	\$20	\$0	\$0	\$0	\$0	\$20
# OF LOSSES	0	1	1	0	0	0	2
LOSS RATIO	0.0%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>EDUCATOR'S LEGAL LIAB</b>							
WRITTEN PREMIUM	\$61,930	\$52,352	\$50,315	\$58,082	\$55,251	\$58,050	\$335,980
LOSS INCURRED	\$0	\$23,000	\$2,888	\$47,901	\$0	\$0	\$73,788
# OF LOSSES	0	1	2	2	0	1	6
LOSS RATIO	0.0%	43.9%	5.7%	82.5%	0.0%	0.0%	22.0%
<b>TOTAL GL &amp; ELL/EPL</b>							
WRITTEN PREMIUM	\$101,117	\$90,718	\$87,189	\$71,952	\$68,471	\$69,313	\$488,760
LOSS INCURRED	\$0	\$23,020	\$2,888	\$47,901	\$0	\$0	\$73,808
# OF LOSSES	0	2	3	2	0	1	8
LOSS RATIO	0.0%	25.4%	3.3%	66.6%	0.0%	0.0%	15.1%
<b>PROPERTY</b>							
WRITTEN PREMIUM	\$1,412,806	\$1,031,564	\$841,570	\$959,380	\$908,048	\$902,343	\$6,055,711
LOSS INCURRED	\$351,027	\$6,099	\$634,720	\$0	\$46,793	\$259,490	\$1,298,129
# OF LOSSES	2	3	3	1	2	3	14
LOSS RATIO	24.8%	0.6%	75.4%	0.0%	5.2%	28.8%	21.4%
<b>B &amp; MII/CRIME/ETC.</b>							
WRITTEN PREMIUM	\$50,618	\$60,221	\$49,202	\$46,159	\$43,689	\$43,415	\$293,304
LOSS INCURRED	\$0	\$0	\$0	\$0	\$4,291	\$0	\$4,291
# OF LOSSES	0	0	2	0	1	0	3
LOSS RATIO	0.0%	0.0%	0.0%	0.0%	9.8%	0.0%	1.5%
<b>TOTAL PROPERTY</b>							
WRITTEN PREMIUM	\$1,463,424	\$1,091,785	\$890,772	\$1,005,539	\$951,737	\$945,758	\$6,349,015
LOSS INCURRED	\$351,027	\$6,099	\$634,720	\$0	\$51,083	\$259,490	\$1,302,419
# OF LOSSES	2	3	5	1	3	3	17
LOSS RATIO	24.0%	0.6%	71.3%	0.0%	5.4%	27.4%	20.5%
<b>TOTAL</b>							
WRITTEN PREMIUM	\$2,035,111	\$1,499,268	\$1,265,091	\$1,262,858	\$1,217,285	\$1,197,369	\$8,476,962
LOSS INCURRED	\$462,133	\$369,933	\$944,263	\$356,707	\$154,087	\$404,184	\$2,691,307
LOSS RATIO	22.7%	24.7%	74.6%	28.2%	12.7%	33.8%	31.7%