



## 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 21, 2020

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 \$2,631,452  
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:**

July 14, 2020

**PROPERTY AND CASUALTY RENEWAL**

Renewal Date: 09/01/2020

**Recommendation of Renewal Quote Offered by Current Provider PCAT Renewal Deductible amounts identical to current policy coverage.**

Broker Carlisle Insurance - Obtaining quotes through the Open Market

- \*Industry trend: Deductibles offered at 2%-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%
- \*Recent Catastrophic Storms in past 3 years (Such as Harvey) Causing \$40- \$60 Billion Dollars in losses and substantial increase in premiums across the Industry

	2018-2019	2019-2020	Difference
<b>Annual Premium:</b>	\$2,390,783	\$ 2,631,452	<b>\$240,699 Additional Premium</b>
<b>Deductibles:</b>	\$100,000 Wind & Hail Per Occurrence/\$300,000 Named Storm Per Occurrence	\$100,000 Wind & Hail /\$300,000 Named Storm Per Occurrence	
<b>Coverage:</b>	Property	\$50,000 All Other Perils Per Occurrence	\$50,000 all Other Perils Per Occurrence
	Building & Contents/Replacement Cost	\$1,237,069,536	\$1,237,069,536
	Auto Fleet		
	Units	734	739
	Cost:	\$38,453,155.00	\$38,734,078.00
			\$280,923 Additional
<b>Physical Damage Cos</b>			* Units latest review on 05/22/2020.



## United ISD

### Property & Casualty Insurance 2020 Renewal Summary

	Expiring 2019-2020	Renewal 2020-2021
<b>Property</b>		
Building & Contents Values	\$1,237,069,536	\$1,237,069,536
<b>Sublimits</b>		
Building & Contents	\$175,000,000 Shared Pool Limit Per Occurrence	\$175,000,000 Shared Pool Limit Per Occurrence
Building Ordinance or Law	\$5,000,000	\$5,000,000
Extra Expense	\$5,000,000	\$5,000,000
Flood	\$2,000,000	\$2,000,000
Flood Zones	Excluding zones prefixed A or V	Excluding zones prefixed A or V
Outdoor Property	\$2,000,000	\$2,000,000
Equipment Breakdown	\$100,000,000	\$100,000,000
<b>Deductibles</b>		
Wind & Hail	\$100,000 Per Occurrence	\$100,000 Per Occurrence
Named Storm Wind & Hail	\$300,000 Per Occurrence	\$300,000 Per Occurrence
All Other Perils	\$50,000	\$50,000
Equipment Breakdown	\$5,000	\$5,000
Flood	\$100,000	\$100,000
<b>General Liability</b>		
ADA	43,053	42,544
<b>Limits</b>		
Each Occurrence	\$1,000,000	\$1,000,000
General Aggregate	\$1,000,000	\$1,000,000
Law Enforcement Liability	Included	Included
<b>Deductibles</b>		
General Liability	\$1,000	\$1,000
Law Enforcement Liability	\$10,000	\$10,000

	Expiring 2019-2020	Renewal 2020-2021
<b>Auto Fleet</b>		
# Vehicles for Liability	734	739
Cost New for Auto Physical Damage	\$38,453,155	\$38,734,078
<b>Limits</b>		
Combined Single Limit (Bodily Injury & Property Damage)	\$100/\$300/\$100	\$100/\$300/\$100
Non-Owned & Hired Liability	Included	Included
Auto Physical Damage	Included	Included
<b>Deductibles</b>		
Bodily Injury & Property Damage	\$1,000	\$1,000
Non-Owned & Hired Liability	\$1,000	\$1,000
Auto Physical Damage	\$1,000	\$1,000
<b>Educator's Legal Liability</b>		
<b>Limits</b>		
Cov A - Prof Educational Services	\$3,000,000	\$3,000,000
Cov B - Employment Practices Liability	Combined w/Cov A	Combined w/Cov A
Cov C - Non Monetary Damages	\$100,000 per Claim/ \$300,000 Aggregate	\$100,000 per Claim/ \$300,000 Aggregate
<b>Deductibles</b>		
Coverage A	\$25,000	\$25,000
Coverage B	\$25,000	\$25,000
Coverage C	\$25,000	\$25,000
<b>Cyber Suite</b>		
<b>Limits</b>		
Per Occurrence	\$100,000	\$100,000
General Aggregate	\$100,000	\$100,000
<b>Deductibles</b>		
Per Occurrence	\$1,000	\$1,000
<b>Sublimits</b>		
Cyber Extortion	\$25,000	\$25,000
Computer Fraud	\$25,000	\$25,000
Misdirected Payment Fraud	\$25,000	\$25,000
Data Compromise Liability	Included In General Aggregate Limit	Included In General Aggregate Limit
Network Security Liability	Included In General Aggregate Limit	Included In General Aggregate Limit

	Expiring 2019-2020	Renewal 2020-2021
<b>Premium Summary</b>		
Property	\$1,714,578	\$1,886,036
Equipment Breakdown	\$54,431	\$59,874
General Liability & Employee Benefits Liability	\$42,825	\$46,550
Educator's Legal Liability	\$108,654	\$118,105
Automobile Liability	\$336,933	\$373,151
Auto Physical Damage	\$129,900	\$143,928
CyberSuite	\$3,462	\$3,808
Property Valuations	Included	Included
Facility Surveys	Included	Included
Driver Training	Included	Included
SafeBus	Included	Included
Employee Training	Included	Included
<b>Annual Premium</b>	\$2,390,783	\$2,631,452
<b>Multi-Year Proposal</b>	3 YEAR	

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

MEMBER: EXPERIENCE as of: CARRIER:	United ISD 6/31/2020						TOTAL
	PCAT	PCAT	PCAT	PCAT	PCAT	PCAT	
	2019-2020 Current Year	2018-2019 Current Year	2017-2018 Current Year	2016-2017 Current Year	2015-2016 1st Prior	2014-2015 2nd Prior	
<b>AUTO LIAB</b>							
WRITTEN PREMIUM	\$335,933	\$392,581	\$259,716	\$233,249	\$133,983	\$143,367	\$1,498,809
LOSS INCURRED	\$124,122	\$242,861	\$285,583	\$299,087	\$291,617	\$90,198	\$1,333,269
# OF LOSSES	21	32	30	41	38	30	192
LOSS RATIO	36.8%	61.8%	111.2%	128.2%	217.7%	62.9%	89.1%
<b>AUTO PHYS DAM</b>							
WRITTEN PREMIUM	\$129,900	\$77,889	\$80,049	\$53,881	\$51,404	\$53,890	\$426,913
LOSS INCURRED	\$20,632	\$5,639	\$108,140	\$41,342	\$52,824	\$48,277	\$274,853
# OF LOSSES	8	3	11	14	22	19	71
LOSS RATIO	15.9%	7.2%	176.8%	76.7%	102.8%	89.9%	64.4%
<b>TOTAL AUTO</b>							
WRITTEN PREMIUM	\$466,833	\$470,570	\$339,765	\$287,130	\$185,387	\$197,257	\$1,925,722
LOSS INCURRED	\$144,754	\$248,500	\$393,723	\$340,429	\$344,441	\$138,475	\$1,608,122
# OF LOSSES	29	35	41	55	60	43	263
LOSS RATIO	31.0%	52.8%	123.7%	118.6%	186.8%	70.3%	83.8%
<b>GL PREMISES</b>							
WRITTEN PREMIUM	\$42,625	\$38,187	\$38,366	\$38,874	\$13,870	\$13,220	\$184,342
LOSS INCURRED	\$0	\$0	\$20	\$2,572	\$0	\$0	\$2,592
# OF LOSSES	0	0	1	1	0	0	2
LOSS RATIO	0.0%	0.0%	0.1%	7.0%	0.0%	0.0%	1.4%
<b>EDUCATOR'S LEGAL LIAB</b>							
WRITTEN PREMIUM	\$108,654	\$61,930	\$52,352	\$50,315	\$58,082	\$55,251	\$388,584
LOSS INCURRED	\$0	\$24,711	\$48,237	\$2,888	\$72,961	\$0	\$142,798
# OF LOSSES	0	1	1	2	2	0	6
LOSS RATIO	0.0%	39.8%	80.7%	5.7%	125.6%	0.0%	36.9%
<b>TOTAL GL &amp; ELLEPL</b>							
WRITTEN PREMIUM	\$151,479	\$101,117	\$90,718	\$87,189	\$71,952	\$68,471	\$570,926
LOSS INCURRED	\$0	\$24,711	\$48,257	\$5,459	\$72,961	\$0	\$145,388
# OF LOSSES	0	1	2	3	2	0	8
LOSS RATIO	0.0%	24.4%	46.6%	6.3%	101.4%	0.0%	25.6%
<b>PROPERTY</b>							
WRITTEN PREMIUM	\$1,714,578	\$1,412,808	\$1,031,684	\$841,570	\$958,380	\$908,048	\$6,867,946
LOSS INCURRED	\$262,000	\$351,027	\$8,099	\$634,720	\$0	\$ 46,793	\$1,300,639
# OF LOSSES	1	2	3	3	1	2	12
LOSS RATIO	15.3%	24.8%	0.8%	75.4%	0.0%	5.2%	18.9%
<b>B &amp; MIIICRIMEIIETC.</b>							
WRITTEN PREMIUM	\$54,431	\$80,818	\$60,321	\$49,202	\$46,159	\$40,689	\$304,320
LOSS INCURRED	\$0	\$0	\$0	\$0	\$0	\$ 4,291	\$4,291
# OF LOSSES	0	0	0	2	0	1	3
LOSS RATIO	0.0%	0.0%	0.0%	0.0%	0.0%	9.8%	1.4%
<b>TOTAL PROPERTY</b>							
WRITTEN PREMIUM	\$1,769,009	\$1,493,626	\$1,091,785	\$890,772	\$1,004,539	\$948,737	\$7,172,266
LOSS INCURRED	\$262,000	\$351,027	\$8,099	\$634,720	\$0	\$51,083	\$1,304,929
# OF LOSSES	1	2	3	5	1	3	15
LOSS RATIO	14.8%	24.0%	0.6%	71.3%	0.0%	5.4%	18.2%
<b>TOTAL</b>							
WRITTEN PREMIUM	\$2,387,321	\$2,035,111	\$1,499,268	\$1,265,091	\$1,282,858	\$1,217,265	\$9,666,914
LOSS INCURRED	\$408,754	\$624,038	\$440,078	\$980,809	\$417,402	\$189,558	\$3,058,439
LOSS RATIO	17.0%	30.7%	29.4%	77.5%	33.1%	15.6%	31.6%