



August 12, 2019

Mr. Thad Lasater
Director of Business Services
College Station Independent School District
1812 Welsh Ave
College Station, Texas 77840

Dear Thad,

After review and comparison of all quoted options for College Station Independent School District's Property, General Liability, and Commercial Automobile coverage, it is the recommendation of Anco Insurance to renew coverage through Travelers for all casualty lines, and AXIS/RSUI/OneBeacon (layered property program), for the property renewal.

The statewide rate for School Property in Texas has increased approximately 50% per year for the last three years, a trend that has continued into this year. The property rate has increased from \$0.085 for the expiring policy, to \$0.125 for the renewal. This resulted in an increase in premium from \$470,386 in 2018/19 to \$697,264 in 2019/20. This increase stems from the increase in re-insurance rates, based on the re-insurance carrier's property loss experience state and nationwide, not just as it relates to individual loss experience. Please note that the property market for school districts in Texas is extremely limited and the best options available are layered programs, as outlined in the renewal terms presented.

In addition to the property terms presented, Anco also received bids for General Liability and Auto Insurance, with options from Travelers, the incumbent carrier, and Trident. We recommend continuing coverage through Travelers for the 2019-2020 policy period, due to comprehensive coverage offered.

Trident has offered the lowest premium for the General Liability and Auto at \$148,172; the expiring policy premium is \$160,398. Travelers has offered to renew at \$185,868, which is \$37,696 more than that offered by Trident. However, it is important to identify key coverage issues that could cause potential gaps in coverage which would otherwise be covered by the renewal terms offered through Travelers. Those key differences in coverage are outlined in the attached spreadsheet and proposal.



In addition to the Property, General Liability, and Commercial Automobile quotes received, Anco also received a renewal indication for the School Leaders' Errors & Omissions, remaining with AIG, for the projected annual premium of \$51,616, including the additional premium for Network Security. This policy projects the rate to remain flat, with the increase in premium coming from an increase in exposure.

Also included with the proposal are the renewal terms for the Underground Storage Tank Pollution Liability, for the annual premium of \$2,178. The Employee Dishonesty & Faithful Performance Policy is written on a three-year term, which started in 2018. The Employee Dishonesty coverage is billed annually.

Please see the below summary of the 2019/2020 renewal premiums recommendations, including the 2018/2019 expiring year annual premiums for comparison:

	<u>2018/2019</u>	<u>2019/2020</u>
Property including all TDI taxes and fees	\$470,386	\$697,264
General Liability incl Employee Benefit Liab	\$21,065	\$20,718
Auto Liability and Physical Damage	\$139,333	\$165,150
School Leaders' E&O Liability	\$49,958	\$51,616
Underground Storage Tank Pollution Liability	\$2,090	\$2,178
Employee Dishonesty & Faithful Performance	\$2,018	\$2,018

Ultimately, the broadest option for coverage in 2019/2020 is going to be through Travelers and AXIS/RSUI/OneBeacon. Please review the above recommendations and attached proposal comparison. If you have any additional questions, please do not hesitate to let us know.

Sincerely,

Grant Graham, CIC, CLCS
Vice President



COLLEGE STATION ISD

Presented By:

Don Smith, CPCU, ARM
Senior Vice President
Grant Graham, CIC
Vice President

Prepared By:

Connie Grocholski, ACSR
Senior Account Manager

August 14, 2019



**COMMERCIAL
PROPERTY**

INSURED: College Station ISD
INSURER: AXIS Surplus Insurance Co.; etal
POLICY TERM: September 1, 2019 to September 1, 2020

Coverage: Blanket Building and Contents Limit
\$551,916,522 Total Insured Value
Blanket Bldg Value: \$489,984,271
Blanket Contents Value: \$57,586,549
Musical Instruments: \$2,297,643
Electronic Equipment: \$1,330,000
Contractor's Equipment: \$261,984
Audio Video Equipment: \$453,000
Fine Arts: \$3,075

Coinsurance/Agreed Amount: No Coinsurance

Valuation Basis: Replacement Cost for Buildings & Contents

Valuation Basis for Metal Roofs: Replacement Cost

Val. Basis for All Other Roofs: RC unless over 15 years old

Limit of Liability any one Loss: \$400,000,000 per Occurrence

Deductible: Earthquake: \$100,000 per Occurrence
Flood: \$100,000 per Occurrence
Wind/Hail: \$250,000 per Loc. / \$500,000 per Occ.
All Other Perils: \$100,000 per Occ.

Additional Deductibles: Contractors Equipment - \$10,000 Deductible
Musical Instruments & Uniforms - \$10,000 Deductible
Audio Video Equipment - \$10,000 Deductible
Computer Equipment - \$10,000 Deductible
Data, Programs & Software - \$100,000
Fine Arts - \$10,000
Boiler & Machinery Breakdown - \$10,000



Sublimits:

Description	Limits of Liability
Earthquake	\$10,000,000
Flood	\$10,000,000 Excluding Zone A and V
Extra Expense	\$1,000,000
Data, Programs and Software	\$500,000
Debris Removal	25% up to \$2,000,000
Law and Ordinance-Undamaged Portion	Policy Limit
Law and Ordinance-Demolition	\$5,000,000
Law and Ordinance-Increased Cost of Construction	Incl w/Demolition Limit
Boiler and Machinery Breakdown	\$150,000,000
Expediting Expense	Included
Unscheduled Fine Arts	\$250,000
Newly Acquired Property	\$2,500,000
Off Premises Service Interruption	\$500,000
Unnamed Locations	\$2,500,000
Property in Transit	\$500,000
Valuable Papers	\$5,000,000
Students and Teachers Personal Property	\$1,000,000
Back up of Sewer	Property Limit
Spoilage	\$250,000

Estimated Annual Premium:

\$697,264

GENERAL LIABILITY

INSURED: College Station ISD

INSURER: The Travelers Insurance Co.

POLICY TERM: September 1, 2019 to September 1, 2020

Coverage Detail

Limits of Liability	Description
\$1,000,000	Per Occurrence
\$2,000,000	Annual Aggregate, Other Than Products
\$2,000,000	Annual Aggregate, Products & Completed Operations
\$1,000,000	Personal And Advertising Injury Aggregate
\$500,000	Damage to Premises Rented to You
excl'd	Medical Expense Each Claim
Not Applicable	Deductible / Claim
\$3,000,000	Employee Benefits Liability Aggregate Limit
\$1,000,000	Each Employee Limit
\$1,000	Employee Benefits Liability Deductible

Schedule of Hazards

Loc#	Prem Code	Class Code	Classification	Premium Basis
VRS	Other	47471	Schools-Public-Elementary, Kindergarten or Jr. High includ Products/Completed Operations	9,119
VRS	Other	47473	Schools-Public-High Schools Include Products and Completed Operations	3,559
VRS	Sales	48638	Stadiums - Operated by Insured includes Products and Completed Operations	314,500
	Other	48925	Swimming Pool	1
VRS	Other	44194	Grandstand or Bleachers	4
VRS	Other	47469	Schools-Faculty Liab. for Corporal Punishment of Students	947



Additional Coverages Included and/or Excluded:

Description	Included/Excluded
Injury to Athletic Participants	Excluded
Corporal Punishment	Included
Law Enforcement Services Liability	Included
School Counseling Professional Liability	Included
Psychological Counseling Prof. Liability	Included except MDs
Owned Watercraft less than 26ft	Included
Non Owned Watercraft less than 50ft	Included
Aircraft Chartered with Pilot	Included
Host Liquor Liability	Included
Blanket Waiver of Subrogation	Included
Pollution from Pesticide/Herbicide Application	Included
Pollution from Pool Chemical Application	Included
Pollution from Hostile Fire	Included
Pollution from Mobile Equipment Spill	Included
Blanket Additional Insured	Included

Deductible: None

Estimated Annual Premium:
(Subject to Audit)

\$20,718

**BUSINESS
AUTOMOBILE**


INSURED: College Station ISD
INSURER: The Travelers Insurance Co.
POLICY TERM: September 1, 2019 to September 1, 2020

Coverage	Covered Autos	Limits/ Deductible
Liability: Combined Single Limit	Any Auto including Hired and Non-Owned	\$1,000,000
Uninsured/Underinsured Motorists Bodily Injury per Person each Accident	As Specified on Schedule	No Coverage No Coverage No Coverage
Medical Payments Per Person/Per Accident	As Specified on Schedule	No Coverage
Personal Injury Protection Per Person/Per Accident	As Specified on Schedule	No Coverage
Physical Damage Specified Causes of Loss Comprehensive Collision	As Specified on Schedule	See Schedule \$1,000 \$1,000
Hired Car Physical Damage Comprehensive Coverage Specified Causes of Loss Collision	Hired Cars Only	1000 No Coverage 1000

Deductible: \$1,000.

Additional Information:

Description	Included/Excluded
Non Owned Auto Liability	Included
Scheduled or Fleet Auto	Fleet Automatic
Excluded Drivers	Case by Case
Driver Surcharge	No
\$1,000,000 for any occurrence that takes place outside of Texas & within the United States	Yes



Employees as Insured	Yes
PIP Limit	Excluded
UIM Limit	Available
Students Covered While Operating "Owned Vehicles"	Yes
Garage Keepers Liability	Available
Garage Liability	Available
Operation of Garage Customer's Vehicle	Available
Terrorism Coverage	Included
Valuation	ACV
Deductible	\$500/\$1000
15-Passenger Vans – unless transportation of Fund Member Employees Only	Silent
Punitive or Exemplary Damages	Silent
Pollutions	Excluded-Except Auto Fluids

Estimated Annual Premium:
(Subject to Audit)

\$165,150

**SCHOOL
LEADERS E&O
LIABILITY**

INSURED: College Station ISD
INSURER: AIG - Non Admitted Company
POLICY TERM: September 1, 2019 to September 1, 2020

School Leaders Errors and Omission Coverage:

LIMIT OF LIABILITY	
(a) Policy Damages Limit of Liability:	\$1,000,000 (aggregate for Damages)
(b) Separate Limits of Liability:	
1. IEP Hearing Limit of Liability :	\$100,000 (aggregate for Claim Expenses)
2. Desegregation Limit of Liability	\$100,000 (aggregate for Claim Expenses)
3. Breach of Contract Limit of Liability	\$100,000 (aggregate for Claim Expenses)
4. Breach of Fiduciary Duty Limit of Liability	\$ 25,000 (aggregate for Claim Expenses)
Network Security/Privacy Endorsement Limit of Liability	\$500,000
RETENTION/DEDUCTIBLE	
(a) each Wrongful Act	\$10,000
(b) each Employment Practices Violation	\$50,000
(c) Each IEP Hearing	\$25,000
(a) Policy First Inception Date:	09/01/2002
(b) Expanded Coverage First Inception Date:	09/01/2008
Expanded Coverage Retroactive Date	09/01/2008
School Leaders Premium (for all coverages other than network/security privacy coverage)	\$43,116.
Network Security Premium (for network security/privacy coverage only)	\$8,500
Additional Premium bearing endorsement	NIL
Total Policy Premium	\$51,616 Estimated

Premium for Certified Acts of Terrorism Coverage under Terrorism Risk Insurance Act: \$500 included in policy premium stated above. Any coverage provided for losses caused by an act of terrorism as defined by TRIA (TRIA Losses) may be partially reimbursed by the United States under a formula established by TRIA as follows: 83% of TRIA Losses in excess of the insurer deductible mandated by TRIA, the deductible to be based on a percentage of the insurer's direct earned premiums for the year preceding the act of terrorism.

The TRIA disclosure is attached hereto.



The following endorsements will be added to the Basic Policy:

#	Form #	End. Date	Title
1	74802	07/11	Texas Amendatory Endorsement- Cancellation/Nonrenewal
2	78859	10/01	Forms Index Endorsement
3	97620	10/08	Texas Amendatory Endorsement
4	96745	12/07	Corporal Punishment Endorsement
5	96747	12/07	Bond Exclusion Endorsement
6	96847	12/07	Cooperation Clause Amendatory Endt.
7	119679	09/15	Economic Sanctions Endorsement
8	99758	08/08	Notice of Claim(Reporting by E-mail)
9	125595	03/17	Federal Share of Compensation Under TRIA and Cap on Losses Endorsement
10	MNSCPT		Security and Privacy Liability/Event Management Liability Crisis Fund

Estimated Annual Premium:

\$51,616 Estimated



**UNDERGROUND
STORAGE
TANK LIABILITY**

INSURED: College Station ISD
INSURER: Mid-Continent Insurance Company
Rated A+ by A.M. Best Company (Admitted)
POLICY TERM: September 1, 2019 to September 1, 2020

Limits of Insurance: Coverage A and B

Aggregate Limit: \$2,000,000
Pollution Incident: \$1,000,000

Coverage C

Pollution Incident: \$25,000

Location of Tanks: 2000 Welsh Ave.
College Station, Texas

Forms:

TO3028 (01/19) Texas Changes – Duties
TO3026 (01/19) Amendatory Endorsement
TO3025 (01/19) Endorsement – Underground Storage Tank – State of Texas
TO0001 (01/19) Pollution Liability Coverage Form (Designated Sites)
MI9101 (01/16) Economic and Trade Sanctions Clause
MI9099 (01/16) Agent Countersignature
MI9098 (01/16) In Witness Clause
MI9059 (04/04) Fighting Insurance Fraud
MI9046 (06/10) Mid-Continent Group Privacy Notice and Notice if Information Practices
MI9014 (06/15) Contact Information Sheet
MI9002 (06/00) Notice of Availability of Loss Control Services – State of Texas
IL0021 (09/08) Nuclear Energy Liability Exclusion – Endorsement
TOMCGN (01/19) Important-Policy Holder Notice
TO1002 (01/19) Pollution Liability Declaration
TO2001 (01/19) Pollution Liability Declaration Schedule of Coverage Declaration

Estimated Annual Premium: \$2,178

**CRIME/
FIDELITY**

INSURED: College Station ISD
INSURER: AIG Insurance Co.
POLICY TERM: September 1, 2018 to September 1, 2020

Coverage Detail:

Subject	Amount	Deductible
Employee Theft – Per Loss Coverage	\$1,000,000	\$25,000
Employee Theft – Per Employee Coverage	No Coverage	None
Forgery Or Alteration	\$1,000,000	\$25,000
Inside The Premises-Theft of Money And Securities	No Coverage	None
Inside The Premises – Robbery Or Safe Burglary of Other Property	No Coverage	None
Outside The Premises	No Coverage	None
Premises Burglary	No Coverage	None
Computer Fraud	\$1,000,000	\$25,000
Funds Transfer Fraud	\$1,000,000	\$25,000
Money Orders And Counterfeit Money	\$50,000	\$1,000

Estimated 3-Year Premium:

\$6,054.



PREMIUM SUMMARY

<u>Coverage</u>	<u>Proposed</u>	<u>Expiring</u>
Commercial Property	\$697,264	\$470,386
Commercial General Liability	\$20,718	\$21,065
Business Automobile	\$165,150	\$139,332
School Leaders E&O Liability	\$51,616	\$49,958
Underground Storage Tanks	\$2,178	\$2,090
Employee Dishonesty & Faithful Performance	3-Year Policy	3-Year Policy
Total Estimated Annual Premium:	\$936,926	\$682,831



ACCEPTANCE AND NOTICES

This document is a brief coverage summary provided to facilitate your understanding of the proposed insurance program. This proposal is not intended to be a legal contract. The terms, conditions, limitations and exclusions of the actual policy forms will govern in the event of a loss.

If coverage is desired, please return the entire proposal, giving Anco Insurance permission to request coverage as indicated above. If changes are required, please indicate on the proposal and initial each change. **(Please sign in black ink.)**

Printed Name

Signature

Date

Title

Binding of Coverage

Binding of coverage associated with this risk is subject to any moratoriums which may be imposed by the insurance company such as tropical storm, hurricane or wildfire watches and warnings. This consideration bears special significance from June through November, which is generally considered the Atlantic hurricane season.

Non-Admitted/Surplus Lines Insurer

If an insurer is designated as a "non-admitted" company, the insurer is not licensed to transact insurance in this state and the policy will be issued and delivered as surplus line coverage. The given state's Department of Insurance does not audit the finances or review the solvency of the surplus lines insurer providing this coverage, and the insurer is not a member of the state property and casualty insurance guaranty association. The Insurance Code requires payment of the surplus lines tax and fee, if shown in this proposal.

Compensation Disclosure

At Anco our clients are our priority. Business is quoted and written through the insurer providing the best coverage and premium that our agency has to offer, suited to your wishes and business needs. Our professional fees, unless otherwise specifically negotiated and agreed to with our client, are customarily based on commission calculated as a percentage of the premium collected by the insurer and are paid to us by the insurer. Insurers and insurance intermediaries may pay us additional compensation, which is contingent on volume, profitability or other factors pursuant to agreements we may have with them relating to all or part of the business we place with those insurers or through those intermediaries. Such agreements may be in effect with one or more of the insurers with whom your insurance is placed, or with the insurance intermediary we use to place your insurance. We will be pleased to discuss with you further details pertinent to your placement upon your request.

Thank you for your business!