



College Station Independent School District

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MEMORANDUM

To: Mr. Mike Martindale *MM*

From: Amy Drozd, Chief Financial Officer

Date: August 11, 2021

Subject: Property, casualty, general liability, and auto insurance for the 2021-22 school year

Agenda Item: J – 4.

BACKGROUND

College Station ISD uses ANCO Insurance for property & casualty (P&C) Insurance coverage. Each year ANCO receives bids and solicits proposals on behalf of CSISD for renewals and makes a recommendation of their opinion on the best package available on the open market.

Because of the high value of insured property, (the district maintains more than \$550M), the P&C Insurance is a “Layered” program, with several companies covering certain amounts of our property.

The insurance market in the state of Texas and nationwide has seen a dramatic increase in premiums over the past several years particularly in the commercial higher valued policies. The 2020-2021 hail and winter storm claim by CSISD adds to our inflation factor. In addition to the inflation, CSISD was informed in the summer of 2020 that 2020-2021 was probably the last year the district would see flat rate deductibles. The market trend for policies of our size has been a move to a percentage of insured value as a deductible.

ANCO reached out to a total of 59 various carriers that bind coverage for large commercial customers including school districts. After review of quotes and proposals it is the recommendation of ANCO that CSISD renew coverage for 2021-2022 as follows:

- AXIS/Lexington/Berkshire for the layered program
- AIG for the School Leaders Liability coverage
- Travelers for the commercial auto coverage and general liability
- Mid-Continent Insurance Company for underground storage tank liability coverage

The change to a percentage deductible instead of a flat amount for wind and hail was the biggest policy difference for CSISD. The expiring policy has a deductible structure for wind and hail of \$250,000 per location/\$500,000 per occurrence. The renewal policy requires a wind and hail deductible of 2% of the insured value, subject to a minimum of \$100,000.



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The total premiums proposed for renewal is \$1,674,338, an increase of \$430,855 from that of 2020-2021 and summarized as follows:

	2020-2021	2021-2022
Property & Casualty	\$ 982,925	\$ 1,386,617
General Liability	\$ 23,103	\$ 29,306
Auto Liability & Physical Damage	\$ 179,716	\$ 209,166
School Leaders' E&O Liability	\$ 49,401	\$ 40,796
Underground Storage Tanks	\$ 2,284	\$ 2,399
Employe Dishonesty & Faithful Performance	\$ 6,054	\$ 6,054
	\$ 1,243,483	\$ 1,674,338

The above totals for 2021-2022 may change throughout the year for additions and/or deletions.

RECOMMENDATION

It is recommended that the College Station ISD Board of Trustees authorize the Superintendent to renew the referenced policies for the 2021-2022 school year as recommended by ANCO Insurance.