



August 11, 2021

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

Dear Thad,

Please see the attached renewal proposal and coverage summary for College Station Independent School District's 2021-2022 Property & Casualty Insurance Renewal. Our insurance submission was sent out to 59 markets in total, specializing in school districts and large property schedules, with high total insured values (TIV). After review of the quoted options for College Station Independent School District's Property, General Liability, Commercial Automobile, and School Leaders Liability coverage, it is the recommendation of Anco Insurance to renew coverage through Travelers for all casualty lines, AXIS/Lexington/Berkshire (layered property program), for the property renewal, and AIG for the School Leaders Liability.

As stated in prior years, the statewide rate for School Property in Texas has increased approximately 50% per year for the last five years, a trend that has continued into this year. Property rates have continued to rise in 2021, primarily due to the cost of reinsurance rates associated with property losses throughout the state in recent years. The rate increase is also a direct reflection of the individual loss experience of College Station ISD through the 2020-2021 policy period. Additionally, losses throughout the state have impacted the property marketplace and brought to surface valuation & claim issues that are driving both scarcity and cost of capital. Carriers are aware that claims can escalate due to recent increased costs of construction, and therefore, consider more of the initial limits as exposed to primary losses. This has require corresponding pricing accordingly within the marketplace. The property rate for CSISD has increased from \$0.178 in 2020, to \$0.251 in 2021.

The layered property renewal terms match that of the expiring policy, with a slight increase (\$1,000,000) in total insured value to \$552,916,522, due to the addition of the Barbara Bush Center. Coverage is written on a blanket basis. There is no coinsurance and the policy maintains a Replacement Cost valuation, with the exception to all roofs that are 15 years or older; those would be subject to an Actual Cash Value (ACV) valuation. The major change to the property policy emerged in the deductible structure. For the expiring policy, a \$250,000 per location/\$500,000 per occurrence deductible applied to wind and hail claims. Due



to the recent loss history for the District and throughout the state, the renewal policy will instead require and wind/hail deductible of 2% of the insured value, subject to a minimum of \$100,000.

As was offered in 2020, there are additional savings available, dependent upon the District's tolerance of risk. The quoted property options have available savings through additional increases in deductible structures, and/or a reduction in the total loss limit for the 2021-2022 policy period. By increasing the wind/hail deductible to 5% in lieu of 2% as offered, an approximate savings of \$57,000 in annual premium will be applied. However, this will also increase the maximum potential retention from approximately \$11,000,000 per occurrence, to approximately \$27,600,000. These deductibles are assuming all locations are impacted, making it the maximum deductible for any one occurrence. Savings can also be achieved by decreasing the total loss limit for any one occurrence. The current loss limit for any one occurrence is \$400,000,000, with the total insured value totaling \$552,916,522. By decreasing the loss limit to \$300,000,000, an additional premium savings of \$72,000 is accomplished. By accepting this option, the total loss limit for any one occurrence would be decreased by 25%.

We have seen similar rate increases across the state for Districts similar in size. For comparison, our property broker has prepared the below table outlining the coverages and rates for several Texas School Districts throughout the state. Included within the table are coverage details, retentions, and rates.

Geographic Area	Year	TIV	Loss Limit	Wind/Hail Deductibles	Rate
CSISD	2021	\$552M	\$400M Per Occ	2% Per Bldg, Min. \$100K Per Occ	\$0.2454
DFW	2021	\$488M	\$125M Per Occ	2% Per Bldg, Min. \$250K Per Occ	\$0.2177
DFW	2021	\$804M	\$400M Per Occ	2% Per Bldg, Min. \$250K Per Occ	\$0.2365
North Texas	2021	\$843M	\$250M Per Occ	2% Per Bldg, Min. \$250K Per Occ	\$0.2419
West Texas	2021	\$833M	\$400M Per Occ	5% Per Bldg, Min. \$100K Per Occ	\$0.3096
South Texas	2021	\$1.3B	\$250M Per Occ	\$1M Per Occurrence	\$0.1686

In addition to the property terms presented, Anco also received renewal terms from Travelers, for the General Liability and Commercial Auto coverage. Historically, several carriers have also given indications, but due to the current state of the market, the additional markets have elected to decline to offer terms in 2021, due mainly to the inability to compete or changes in underwriting guidelines. The total annual premium for General Liability and Commercial Auto totaled \$202,819 in 2020. The renewal terms from Travelers mirror that of the expiring policy, with an increase in premium to \$238,482. The increase in premium is a result of a slight increase in exposure, as well as an increase in rate. The coverage is outlined in the attached comparison.

For College Station ISD's School Leaders' Errors & Omissions, AIG has again offered renewal terms, for the annual premium of \$40,796, including the additional premium for Cyber Security and Privacy Liability. This is a decrease in premium from \$49,401 in 2020. The renewal policy will include the following coverage limits and retentions:



Coverage Detail	Limit	Retention	Continuity Date
Total Policy Limit of Liability	\$1,500,000	See Below	See Below
School Entity Errors & Omissions	\$1,000,000	\$10,000	9/1/2002
Employment Practices Liability	\$1,000,000	\$100,000	9/1/2002
CyberEdge Security & Privacy Liability	\$500,000	\$25,000	9/1/2011

Please see the below premium summary of the 2021-2022 renewal premiums recommendations, including the 2020-2021 expiring annual premiums for comparison:

	<u>2020/2021</u>	<u>2021/2022</u>
Property, including all TDI taxes and fees	\$982,925	\$1,386,617
General Liability including Employee Benefits Liab	\$23,103	\$29,306
Auto Liability and Physical Damage	\$179,716	\$209,166
School Leaders' E&O Liability	\$49,401	\$40,796
Underground Storage Tank Pollution Liability	\$2,284	\$2,399
Employee Dishonesty & Faithful Performance	\$6,054	\$6,054

Ultimately, it is the recommendation of Anco Insurance to renew coverage through the layered property program (Axis/Lexington/Berkshire) for property coverage, Travelers Insurance Companies for the General Liability and Commercial Auto, AIG for the School Leaders' E&O and Crime, and Mid-Continent Insurance Company for the Underground Storage Tank Pollution Liability. If you have any additional questions upon your review of the attached information, please do not hesitate to let us know.

Sincerely,

Grant Graham, CIC, CLCS

Vice President

College Station ISD Property Renewal Bid Comparison

8/1/2021	2018/19 Expiring Policy	2019/20 Renewal Quote	2020/21 Expiring Policy	2021/22 Renewal Quote	Marketing Summary	Response
Company	AXIS/RSU/OneBeacon	AXIS/RSU/OneBeacon	AXIS/RSU/Arch	AXIS/Exington/Berkshire		
Best Rating	A+ XV	A+ XV	A+ XV	A+ XV	Zurich Hartford Great American Travelers Tidant TPS	Declined - All Lines Declined Quoted - Casualty Lines Only Declined - All Lines Declined - All Lines Declined - Casualty
Assessable	No	No	No	No	Liberty Mutual Considered for Layered Program	Response:
Annual Premium Incl Fee and Tax	\$470,306	\$697,264	\$902,925	\$1,386,617		
Rate per \$100 of Value	\$0.085	\$0.125	\$0.178	\$0.245		
Additional Premium to Add Terrorism	\$29,048	\$38,283	\$51,585	\$65,176		
Stand-Alone Terrorism Option (Vol TRIA)	N/A	N/A	N/A	\$22,821		
Total Annual Premium (Including TRIA)	\$499,494	\$735,547	\$1,034,510	\$1,499,793		
Total Insured Value	\$551,916,522	\$551,916,522	\$551,916,522	\$552,916,522		
Limit of Liability any one Loss	\$400,000,000 per Occ	\$400,000,000 per Occ	\$400,000,000 per Occ	\$400,000,000 per Occ	AIFM Allianz	Declined Declined
Blanket Building Value	\$489,994,271	\$489,994,271	\$489,994,271	\$489,994,271	Arch Specialty	Quoted 50% of \$15M x/0 \$10M
Blanket Contents Value	\$57,596,549	\$57,596,549	\$57,596,549	\$57,506,549	Arrowhead	Declined
Musical Instruments	\$2,297,643	\$2,297,643	\$2,297,643	\$2,297,643	Aspen	Pricing Not Competitive (25% high) on \$15M x/0 \$10M
Electronic Equipment	\$1,330,000	\$1,330,000	\$1,330,000	\$1,330,000	Allied World (AWAC)	Pricing Not Competitive (65% high) on Primary Pricing
Contractor's Equipment	\$261,994	\$261,994	\$261,994	\$261,994	Axix	Quoted 25% of \$10M Primary
Audio Video Equipment	\$453,000	\$453,000	\$453,000	\$453,000	Star Specialty	Pricing and Terms Not Competitive - Requires Higher Deductible Structure
Fine Arts	\$3,075	\$3,075	\$3,075	\$3,075	Beezley	Declined
Coinsurance/Agreed Amount	No Coinsurance	No Coinsurance	No Coinsurance	No Coinsurance	Berkshire	Quoted 25% of \$10M Primary
Valuation Basis for Buildings and Contents	Replacement Cost	Replacement Cost	Replacement Cost	Replacement Cost	Brit	Declined
Valuation Basis for Metal Roofs	Replacement Cost	Replacement Cost	Replacement Cost	Replacement Cost	Calaytic	Declined
Valuation Basis for All Other Roofs	RC unless over 15 yrs old	RC unless over 15 yrs old	RC unless over 15 yrs old	RC unless over 15 yrs old	Chubb Bermuda	Quoted 100% of \$200M x/0 \$200M
Cosmetic Damage Endorsement/Inflation	Yes	Yes	Yes	Yes	CM Vantage	Declined
Blanket or Scheduled	Blanket	Blanket	Blanket	Blanket	CNA	Declined
Deductibles					CurtTech	Declined
Earthquake	\$100,000 per Occurrence	\$100,000 per Occurrence	\$100,000 per Occurrence	\$100,000 per Occurrence	Core/StarStone Specialty Insurance	Quoted 12.5% of \$10M Primary
Flood	\$100,000 per Occurrence	\$100,000 per Occurrence	\$100,000 per Occurrence	\$100,000 per Occurrence	Diamond State	Declined
Wind/Hail Deductible	\$250,000 per Location/ \$500,000 per Occurrence	\$250,000 per Location/ \$500,000 per Occurrence	\$250,000 per Location/ \$500,000 per Occurrence	\$250,000 per Location/ \$500,000 per Occurrence	Endurance	Declined
All Other Perils Deductible	\$100,000 per Occurrence	\$100,000 per Occurrence	\$100,000 per Occurrence	\$100,000 per Occurrence	Ethos	Significant Cost Increase Indication of Premium
Contractors Equipment	\$10,000	\$10,000	\$10,000	\$10,000	Everest General Star	Declined Declined

Musical Instruments & Uniforms	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	Michael Excess Partners	Declined
Audio Video Equipment	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	Hallmark	Pricing Not Competitive (35% high) on \$100M x/o \$200M
Computer Equipment	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	Homeland Ins. Co.	Quoted 100% of \$100M x/o \$100M
Data, Programs and Software	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	Hiscox	Pricing Not Competitive (30% high) on Primary Pricing w/ Increased Deductible
Fine Arts	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	INSURISK	Quoted 33% of \$75M x/o \$25M
Boiler and Machinery Breakdown	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	Ironshore	Pricing Not Competitive for \$75M x/o \$25M
Sublimits						James River	Pricing Not Competitive (20% high) on \$75M x/o \$25M
Earthquakes	\$10,000,000	\$10,000,000	\$10,000,000	\$10,000,000	\$10,000,000	Lexington	Quoted 25% of \$10M Primary
Flood	\$10,000,000 Excluding Zone A and V	\$10,000,000 Excluding Zone A and V	\$10,000,000 Excluding Zone A, V, B or shaded X in their sub-zones	\$10,000,000 Excluding Zone A, V, B or shaded X in their sub-zones	\$10,000,000 Excluding Zone A, V, B or shaded X in their sub-zones	Lexington - Layer 2	Quoted 33% of \$15M x/o \$10M
Extra Expense	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	Lloyds of London	Quoted 100% of \$150M Equipment Breakdown
Data, Programs and Software	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000	Kinsale	Quoted 12.5% of \$10M Primary
Debris Removal	25% up to \$2,000,000	25% up to \$2,000,000	25% up to \$2,000,000	25% up to \$2,000,000	25% up to \$2,000,000	Market	Pricing Not Competitive on Any Layer
Law and Ordinance - Undamaged Portion	Policy Limit	Policy Limit	Policy Limit	Policy Limit	Policy Limit	Mitsui	Pricing Not Competitive (15% high) on \$100M x/o \$300M
Law and Ordinance - Demolition	\$5,000,000	\$5,000,000	\$5,000,000	\$5,000,000	\$5,000,000	Munich Re	Pricing Not Competitive on Any Layer
Law and Ordinance - Increased Cost of Const	Incl w/ Demolition Limit \$150,000,000	Incl w/ Demolition Limit \$150,000,000	Incl w/ Demolition Limit \$150,000,000	Incl w/ Demolition Limit \$150,000,000	Incl w/ Demolition Limit \$150,000,000	Paragon	Quoted 20% of \$25M x/o \$25M
Boiler and Machinery Breakdown	Included	Included	Included	Included	Included	Rivington	Quoted 3% of \$75M x/o \$25M
Expediting Expense	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	RLI	Declined
Unscheduled Fine Arts	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	RSU	Quoted 50% of \$75M x/o \$25M
Newly Acquired Property	\$2,500,000	\$2,500,000	\$2,500,000	\$2,500,000	\$2,500,000	Saraca	Declined
Off-Premises Service Interruption	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000	Sompo	Declined
Unmanned Locations	\$2,500,000	\$2,500,000	\$2,500,000	\$2,500,000	\$2,500,000	Scotdale	Quoted 6% of \$75M x/o \$25M
Property in Transit	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000	Swiss Re	Declined
Valuable Papers	\$5,000,000	\$5,000,000	\$5,000,000	\$5,000,000	\$5,000,000	Travelers Custom	Declined
Students and Teachers Personal Property (Not to Exceed \$1,000 any one item)	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	Velocity	Declined
Back up of Server	Policy Limit	Policy Limit	Policy Limit	Policy Limit	Policy Limit	Waypoint	Pricing Not Competitive (15% high) on Primary Layer w/ Restrictions on Terms
Spoilage	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	Westchester	Quoted 6% of \$75M x/o \$25M
						WIKFC Property	Declined
						Zurich	Pricing Not Competitive (40% high) on Primary Layer

8/11/2023

College Station ISD General Liability and Auto Renewal Bid Comparison

General Liability Company	Travelers (2019-2020)	Travelers (Expiring Policy)	Travelers (Renewal Policy)	Trident	TPS (Self Insurance Fund)
Best Rating	A++ XV	A++ XV	A++ XV	A+	AGRI Approved
Assessable	No	No	No	No	No
Estimated Annual Premium	\$20,718	\$23,103	\$29,306	Declined	Declined
Terrorism	Included	Included	Included		
Per Occurrence Limit	\$1,000,000	\$1,000,000	\$1,000,000		
Aggregate Limit	\$2,000,000	\$2,000,000	\$2,000,000		
Employee Benefit Lib Limit	\$1,000,000	\$1,000,000	\$1,000,000		
Medical Payments	None	None	None		
Damage to Rented Premises	\$500,000	\$500,000	\$500,000		
Injury to Athletic Participants	Excluded	Excluded	Excluded		
bodily Injury Includes Mental Anguish	Yes	Yes	Yes		
Corporal Punishment	Included	Included	Included		
Sexual Abuse/Molestation	\$1,000,000 per Occ \$2,000,000 Aggregate	\$1,000,000 each Offense \$2,000,000 Aggregate	\$1,000,000 each Offense \$2,000,000 Aggregate		
Law Enforcement Services Lib	Included	Included	Included		
School Counseling Prof Lib	Included	Included	Included		
Psychological Counseling Prof Lib	Included except MDS	Included except MDS	Included except MDS		
Owned Watercraft less than 26 ft	Included	Included	Included		
Non Owned Watercraft less than 50 ft	Included	Included	Included		
Aircraft Chartered with Pilot	Included	Included	Included		
Host Liquor Liability	Included	Included	Included		
Blanket Waiver of Subrogation	Included	Included	Included		
Pollution from Pesticide/Herbicide Application	Included	Included	Included		
Pollution from Pool Chemical Application	Included	Included	Included		
Pollution from Hostile Fire	Included	Included	Included		
Pollution from Mobile Equip Spill	Included	Included	Included		
Deductible	None	None	None		
Additional Insureds	Available	Blanket Available	Blanket Available		
Joint Ventures	Available	Available	Available		
Auto Liability Company	Travelers	Travelers	Travelers	Trident	TPS
Best Rating	A+ XV	A+ XV	A+ XV	A+	AGRI Approved
Assessable	No	No	No	No	No
Number of Vehicles	222	245	248	248	Declined
Estimated Annual Premium	\$130,691	\$141,944	\$161,650		
Cost per Vehicle	\$589	\$579	\$652		
Terrorism	Included	Included	Included		
Auto Liability Limit	\$1,000,000	\$1,000,000	\$1,000,000		
\$1,000,000 for any occurrence that takes place outside of Texas and Within the United States	Yes	Yes	Yes		
Deductible	\$1,000	\$1,000	\$0		
Non-owned Auto Liability	Included	Included	Included		
Scheduled or Fleet Auto	New Vehicles Automatically Included	New Vehicles Automatically Included	New Vehicles Automatically Included		
Excluded Drivers	Case by Case	Case by Case	Case by Case		
Driver Surcharges	No	No	No		
Employees as Insureds	Yes	Yes	Yes		
PIP Limit	Excluded	Excluded	Excluded		
UMI Limit	Available	Available	Available		
Auditable	Yes	Yes	Yes		

Licensed Students Covered While Operating "Owned Vehicles"	Yes	Yes	Yes		
Garage Keepers Liability	Available	Available	Available		
Garage Liability	Available	Available	Available		
Operation of Garage Customer's Vehicle	Available	Available	Available		
Auto Physical Damage Company	Travelers	Travelers	Travelers	Trident	TPS
Best Rating	A++ XV	A++ XV	A++ XV	A+	AGRI Approved
Assessable	No	No	No	No	Yes
Est Annual Premium	\$34,459	\$37,772	\$43,763	Declined	Declined
Cost per Vehicle	\$155	\$164	\$176		
Terrorism	Included	Included	Included		
Valuation	ACV	ACV	ACV		
Deductible	\$500/\$1,000	\$500/\$1,000	\$500/\$1,000		
Hired Auto Physical Damage	\$50,000	\$50,000	\$50,000		
Hired Auto Physical Damage Ded	\$1,000	\$1,000	\$1,000		
Maximum Any One Event	ACV	ACV	ACV		
Maximum Any One Event Ded	Per Schedule	Per Schedule	Per Schedule		
Auditable	Yes	Yes	Yes		
15-Passenger Vans - unless transportation of Fund Member Employees Only	Silent	Silent	Silent		
Punitive or Exemplary Damages	Silent	Silent	Silent		
Pollutants	Excluded - Except Auto Fluids	Excluded - Except Auto Fluids	Excluded - Except Auto Fluids		
Standard	Standard	Standard	Standard		
Cancellation Clause	Must Give Notice As Soon As practicable	Must Give Notice As Soon As Practicable	Must Give Notice As Soon As Practicable		
Claim Notice	N/A	N/A	N/A		
Excess Liability (\$1,000,000 Per Occurrence)	N/A	N/A	N/A		
Miscellaneous Premium, Taxes, & Fees	N/A	N/A	\$3,753	N/A	N/A
Total Premium	\$185,868	\$202,819	\$238,472	Declined	Declined
Terrorism	Included	Included	Included	Declined	Declined
Total Including Terrorism	\$185,868	\$202,819	\$238,472	Trident	TPS
	Travelers	Travelers	Travelers		

This table is for comparisons only. Please refer to policy for actual coverage terms and limits.