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June 4, 2013

To: Superintendent and School Board Members

RE: 2013/2014 Insurance Renewals

I would like to request your approval to renew the following insurance coverage for 2013/2014:

**Property, Casualty & Ancillary Lines of Insurance Coverage**

Florida School Boards Insurance Trust (FSBIT) - \$2,158,663.00

The district is insured with the Florida School Boards Insurance Trust (FSBIT) for property, casualty and ancillary coverage. The total program costs for 2013/2014 are \$2,158,663.00, a 7.8% increase over 2012/2013. Lines of coverage included in the FSBIT invoice are: property, casualty, school crisis risk, worker's compensation, boiler and machinery, crime, pollution, catastrophic student accident and cyber liability.

Reasons for the increase include:

- Property values increased 4%
- Property insurance rates increased 3%
- Casualty insurance rates increased 1.8%
- Cyber liability coverage was added for 2013/2014

Willis Pooling Practice continues to serve as the insurance broker for FSBIT.

**Flood Insurance**

American Bankers - \$11,000.00

Jackson Pre-K Center is located in a flood zone. The district is required to participate in the National Flood Insurance Program to be eligible to receive FEMA funds. There are 22 buildings insured with each building insured in a separate policy. Eight policies renew on July 6 and payment for those has been made. Six policies renew on September 30 and eight policies renew on October 7. The premium for the eight policies that renewed on July 6 was approximately 7% higher than last year. Consequently, we are projecting a 7% increase for the additional 14 policies that will renew in September and October. Attached is a flood policy spreadsheet for your review. We anticipate the total cost for renewal of the 22 flood insurance policies for 2013/2014 will not exceed \$11,000.00.

Our flood insurance coverage is with American Bankers Insurance Company.

**Storage Tank Insurance**

Liberty International Underwriters (LIU) - \$14,500

We have fifteen storage tanks located at ten different sites throughout the district. Nine tanks are above ground tanks and six are underground tanks. Insurance coverage is required for all underground tanks, regardless of capacity. Above ground tanks, including generators, with more than a 550 gallon capacity, must also be covered. Attached is a storage tank schedule for your review. We have not yet received the new premium for renewing effective July 1, 2013. However, based on prior year renewals we anticipate a 14% increase. The projected premium to renew our storage tank policy with LIU for 2013/2014 is \$14,500.00.

Our current storage tank coverage is with LIU Environmental.

Please contact me if you have any questions or concerns.

Sincerely,

*Karen L. Retherford*

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