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*Mission: To Love, Educate, and Prepare All Students for Graduation and a Successful Future*

TO: Superintendent and School Board Members

FROM: Alexandra Timmons, Director of Risk Management

DATE: June 16, 2022

SUBJECT: Request to Renew the 2022-23 Insurance Coverages

I would like to request your approval to renew the following insurance coverages for 2022-23.

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

Florida School Boards Insurance Trust (FSBIT): \$3,956,178.00

The district is insured by the Florida School Boards Insurance Trust (FSBIT) for property, casualty, and ancillary coverages. The total program costs for 2022-23 is \$3,956,178.00. Fees have increased over prior years due to increases in property, casualty, and other coverages. Some of these costs are due to weather-related losses, wildfire occurrences, and increased building construction costs. In past years, FSBIT has offset these costs with surplus credits. The Trust will review budgetary experiences during the October meeting to determine if a surplus credit will be applied this year.

Of our total costs, \$1,498,344.20 will be covered through Workers' Compensation funds; \$2,202,316.00 through Capital Outlay funds; and the remaining \$255,517.80 will come from General Funds/Risk Management budgets. Lines of coverage included in the FSBIT invoice are property, casualty, school crisis risk, workers' compensation, boiler and machinery, crime, pollution, catastrophic student accident, terrorism, and excess liability. FSBIT and Alliant fees are also included. See the complete breakdown of costs in supporting documents.

**Cyber**

The cyber market has been very tight, and FSBIT brokers are still in the process of securing quotes for our district and some members in our trust. The market is not favorable for public entities, particularly school districts, which are perceived to be a bad class of business. In addition, there are minimum controls that must be in place to secure quotes. If we receive a quote, we are estimating the premium to be at \$60,000. There are high deductibles and low limits with these quotes. If there is no underwriter willing to offer our district a quote, the School Board will retain all of the cyber risk.

DISTRICT 1

DISTRICT 2

DISTRICT 3

DISTRICT 4

DISTRICT 5

Linda Sanborn

Elizabeth Hewey

Carol Boston

Charles Elliott

Wei Ueberschaer

### **Flood Insurance**

Flood Insurance American Bankers – The 2021 Premium was \$17,246. Our *estimate* for 2022 is that the premium will not exceed \$20,350 (FEMA states the new Risk Rating 2.0 premium increase is capped at 18%). Since the new rating process began April 1, 2022, there have been a few increases in the teens but also some single digit decreases on FSBIT renewals to date. T.R. 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 14 buildings insured with each building insured in a separate policy.

### **Storage Tank Insurance**

Liberty International Underwriters (LIU) – 2021 was \$12,744.00, and the 2022 premium is \$13,222, a 3.8% increase. We have thirteen storage tanks located at nine different sites throughout the district. Nine tanks are above ground tanks and four 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. Price represents a slight price increase from the previous fiscal year.

Please let me know if I can answer any questions.

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